ANNUAL FINAL BUDGET OF

NKANGALA DISTRICT MUNICIPALITY (DC31)

2019/20 TO 2021/22

MEDIUM TERM REVENUE AND EXPENDITURE FORECASTS

Copies of this document can be viewed:

- At the Records section in the District municipal building
- At the head public libraries at local municipalities within the District
- At www.nkangaladm.gov.za

Table of Contents

PART 1 – ANNUAL BUDGET 1

1.1 MAYOR'S REPORT 1
1.2 COUNCIL RESOLUTIONS 2
1.3 EXECUTIVE SUMMARY 4
1.4 OPERATING REVENUE FRAMEWORK 6
1.5 OPERATING EXPENDITURE FRAMEWORK 8
1.6 CAPITAL EXPENDITURE 13
1.7 ANNUAL BUDGET TABLES 13

2 PART 2 – SUPPORTING DOCUMENTATION 30

2.1 OVERVIEW OF THE ANNUAL BUDGET PROCESS 30
2.2 OVERVIEW OF ALIGNMENT OF ANNUAL BUDGET WITH IDP 33
2.3 MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS 38
2.4 OVERVIEW OF BUDGET RELATED-POLICIES 44
2.5 OVERVIEW OF BUDGET ASSUMPTIONS 49
2.6 OVERVIEW OF BUDGET FUNDING 57
2.7 EXPENDITURE ON GRANTS AND RECONCILIATIONS OF UNSPENT FUNDS 70
2.8 COUNCILLOR AND EMPLOYEE BENEFITS 72
2.9 MONTHLY TARGETS FOR REVENUE, EXPENDITURE AND CASH FLOW 75

List of Tables

Table 1 Consolidated Overview of the 2019/20 MTREF 5
Table 2 Summary of revenue classified by main revenue source 6
Table 3 Percentage growth in revenue by main revenue source 6
Table 4 Operating Transfers and Grant Receipts 7
Table 5 Summary of operating expenditure by standard classification item 8
Table 6 Breakdown of the main expenditure categories per Local Municipality 11
Table 7 Operational repairs and maintenance 12
Table 8 2018/19 Medium-term capital budget per asset class 13
Table 9 MBRR Table A1 - Budget Summary 14
Table 10 Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification) 16
Table 11 MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote) 17
Table 12 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure) 18
Table 13 Contributions to Local Municipalities per municipality 20
Table 14 MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source 21
Table 15 MBRR Table A6 - Budgeted Financial Position 24
Table 16 MBRR Table A7 - Budgeted Cash Flow Statement 26
Table 17 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation 27
Table 18 MBRR Table A9 - Asset Management 28
Table 19 MBRR Table SA4 - Reconciliation between the IDP strategic objectives and budgeted revenue 36
Table 20 MBRR Table SA5 - Reconciliation between the IDP strategic objectives and budgeted operating expenditure 36
Table 21 MBRR Table SA6 - Reconciliation between the IDP strategic objectives and budgeted capital expenditure 37
Table 22 MBRR Table SA7 - Measurable performance objectives (replaced with QUARTERLY PROJECTIONS OF SERVICE DELIVERY TARGETS AND PERFORMANCE INDICATORS AS PER APPROVED SDBIP) 40
Table 23 MBRR Table SA8 - Performance indicators and benchmarks 42
Table 24 Credit rating outlook 47
Table 25 Breakdown of the operating revenue over the medium-term 58
Table 26 MBRR SA15 – Detail Investment Information 60
Table 27 MBRR SA16 – Investment particulars by maturity 60
Table 28 MBRR Table SA 17 - Detail of borrowings 61
Table 29 MBRR Table SA 18 - Capital transfers and grant receipts 62
Table 30 MBRR Table A7 - Budget cash flow statement 63
Table 31 MBRR Table A8 - Cash backed reserves/accumulated surplus reconciliation 64
Table 32 MBRR SA10 – Funding compliance measurement 66

Table 33 MBRR SA19 - Expenditure on transfers and grant programmes 70
Table 34 MBRR SA 20 - Reconciliation between of transfers, grant receipts and unspent funds 71
Table 35 MBRR SA22 - Summary of councillor and staff benefits 72
Table 36 MBRR SA23 - Salaries, allowances and benefits (political office bearers/councillors/ senior managers) 73
Table 37 MBRR SA24 – Summary of personnel numbers 74
Table 38 MBRR SA25 - Budgeted monthly revenue by source and expenditure by type 75
Table 39 MBRR SA26 - Budgeted monthly revenue and expenditure (municipal vote) 76
Table 40 MBRR SA27 - Budgeted monthly revenue and expenditure (standard classification) 77
Table 41 MBRR SA28 - Budgeted monthly capital expenditure (municipal vote) 78
Table 42 MBRR SA29 - Budgeted monthly capital expenditure (standard classification) 79
Table 43 MBRR SA30 - Budgeted monthly cash flow 80
Table 44 MBRR SA34a – Capital expenditure on new assets by class 81
Table 45 MBRR SA34c – Repairs & Maintenance by asset class 82
Table 46 MBRR SA34d – Depreciation by asset class 83

Table 47 MBRR SA35 – Future financial implications of the capital budget 84
Table 48 MBRR SA1 – Supporting detail to budgeted financial performance 85
Table 49 MBRR SA2 – Matrix Financial Performance Budget (revenue source/expenditure type and dept.) 87
Table 50 MBRR SA3 – Supporting detail to Budgeted Financial Position 88
Table 51 MBRR SA6 – Reconciliation of IDP strategic objectives and budget (capital exp) 89
Table 52 MBRR SA21 - Transfers & grants made by the municipality 90

List of Figures

Figure 1 Main operational expenditure categories for the 2019/20 financial year 10
Figure 2 Expenditure by major type 19
Figure 3 Planning, budgeting and reporting cycle 38
Figure 4 Definition of performance information concept 39
Figure 5 Breakdown operating revenue over the 2019/20 MTREF 59
Figure 6 Decline in outstanding borrowing (long-term liabilities) 61
Figure 7 Cash and cash equivalents / Cash backed reserves and accumulated funds **Error! Bookmark not defined.**

Abbreviations and Acronyms

AMR	Automated Meter Reading
ASGISA	Accelerated and Shared Growth Initiative
BPC	Budget Planning Committee
CBD	Central Business District
CFO	Chief Financial Officer
CPI	Consumer Price Index
CRRF	Capital Replacement Reserve Fund
DBSA	Development Bank of South Africa
DoRA	Division of Revenue Act
DWA	Department of Water Affairs
EE	Employment Equity
EEDSM	Energy Efficiency Demand Side Management
EM	Executive Mayor
FBS	Free basic services
GAMAP	Generally Accepted Municipal Accounting Practice
GDP	Gross domestic product
GDS	Gauteng Growth and Development Strategy
GFS	Government Financial Statistics
GRAP	General Recognised Accounting Practice
HR	Human Resources
HSRC	Human Science Research Council
IDP	Integrated Development Strategy
IT	Information Technology
kℓ	kilolitre
km	kilometre
KPA	Key Performance Area
KPI	Key Performance Indicator
kWh	kilowatt
ℓ	litre
LED	Local Economic Development
MEC	Member of the Executive Committee
MFMA	Municipal Financial Management Act Programme
MIG	Municipal Infrastructure Grant
MM	Municipal Manager
MMC	Member of Mayoral Committee
MPRA	Municipal Properties Rates Act
MSA	Municipal Systems Act
MTEF	Medium-term Expenditure Framework
MTREF	Medium-term Revenue and Expenditure Framework
NERSA	National Electricity Regulator South Africa
NDM	Nkangala District Municipality
NGO	Non-Governmental organisations
NKPIs	National Key Performance Indicators
OHS	Occupational Health and Safety
OP	Operational Plan
PBO	Public Benefit Organisations
PHC	Provincial Health Care
PMS	Performance Management System
PPE	Property Plant and Equipment
PPP	Public Private Partnership
PTIS	Public Transport Infrastructure System
RG	Restructuring Grant
RSC	Regional Services Council
SALGA	South African Local Government Association
SAPS	South African Police Service
SDBIP	Service Delivery Budget Implementation Plan
SMME	Small Micro and Medium Enterprises

Part 1 – Annual Budget

1.1 Mayor's Report

FOREWORD TO THE BUDGET 2019/2020 BY THE EXECUTIVE MAYOR, CLR T. S. MASILELA

In accordance with the provisions of the laws that govern the affairs of the municipality, we embarked on a process of consultations with local communities, sector departments, business and other stakeholders with the view to finally present the IDP and Budget for the 2019-2020 financial year. Through our outreach programme, the District had fruitful meetings with communities and the people have acknowledged the work done by the District. However, many also made it clear to us that more impact-making and decisive change is urgently needed. Furthermore, the situation on the ground requires an effective turnaround plan from the District and that it is really about doing things differently and also acting on what may not have been acted upon quickly before.

We have noted with sadness the audit regression from the audit conducted in respect of the past financial year (2017/2018). The Auditor General has returned an Unqualified Audit opinion with matters of emphasis, meaning that NDM has failed to maintain its Clean Audit Outcome for the year 2017/2018. However, plans to reclaim our Clean Audit are already in place to ensure that Nkangala District Municipality maintains its good governance record. The Adjustment Budget 2019/2020 accordingly carries the hopes and aspirations of the masses of our communities and we believe it will continue to guide us over the next financial year in our collective endeavours of building a better life for all the people in our district, combating the triple challenges of unemployment, poverty and inequality.

The Executive and the officials met on the 28-30th November 2018 at Roodevallei, Pretoria to review the strategy, projects and performance of the District Municipality and introduced a much needed sense of urgency in order to strengthen our efforts to create better lives for all the people of the District. Budgeting is primarily about the choices that the municipality has to make between competing priorities and fiscal realities. The challenge is to do more with the available limited resources. We need to remain focused on the effective delivery of the core municipal services through the application of efficient and effective service delivery mechanisms.

We are determined to ensure that this budget will see to it that our people will experience significant improvement in the delivery of municipal services. In the IDP we have set clear targets for the predetermined outcomes. Our cardinal objective of this budget inter alia is to create conditions for an inclusive economy that will reduce unemployment, poverty and inequality and produce decent jobs and sustainable livelihoods. We envisage to see more and more rural communities benefiting from investments in basic services such as water, electricity, sanitation and road infrastructure.

In the spirit of the New Dawn, we are confident that the 2019/2020 District IDP Budget will surely make a difference in terms of service delivery.

NKANGALA DISTRICT MUNICIPALITY
DISTRIKSMUNISIPALITEIT NKANGALA

☎ 013-249-2000
✉ 437 or 2032
Middelburg 1050
www.nkangaladm.org.za

FAX 013-249-2087 (Corporate Services)
FAX 013-249-2114 (Finance)
FAX 013-249-2145 (Technical Services)
FAX 013-249-2136 (Social Services)

My Verw./My Ref.: Ngwenya NN (bib)
U Verw./Your Ref.:

29 May 2019

MUNICIPAL MANAGER
GENERAL MANAGER: CORPORATE SERVICES
CHIEF FINANCIAL OFFICER
GENERAL MANAGER: SOCIAL SERVICES
GENERAL MANAGER: PLANNING AND ECONOMIC DEVELOPMENT
GENERAL MANAGER: TECHNICAL SERVICES
SENIOR LEGAL ADVISOR
MUNICIPAL ACCOUNTANT
CHIEF AUDIT EXECUTIVE
CHIEF RISK OFFICER
DIVISIONAL MANAGER: PMS
DIVISIONAL MANAGER: ICT

Sir/Madam

DM-ND363/05/2019

FINANCE: FINAL ANNUAL BUDGET 2019/20: MEDIUM TERM EXPENDITURE AND REVENUE FRAMEWORK (MTREF) 2019/20 to 2021/22

In this regard, Council at its 9th (2018/2019) Council meeting held on 29 May 2019 resolved as follows:

1. **THAT** the final annual budget for the financial year 2019/20 and the multi-year and single-year capital appropriations attached hereto as **ANNEXURE "AA" page 591 to 704** is noted and approved in terms of section 16(2) of the Municipal Finance Management Act, 2003 (Act 56 of 2003) as set out in the following tables:

   i. Budgeted Financial Performance (revenue and expenditure by standard classification) as contained in **ANNEXURE "AA" page 611**
   ii. Budgeted Financial Performance (revenue and expenditure by municipal vote) as contained in **ANNEXURE "AA" page 612**
   iii. Budgeted Financial Performance (revenue by source and expenditure by type) as contained **ANNEXURE "AA" page 613**
   iv. Multi-year and single-year capital appropriations by municipal vote and standard classification and associated funding by source as contained **ANNEXURE "AA" page 616**

1

M · M

2. **THAT** the financial position, cash flow budget, cash-backed reserve/accumulated surplus, asset management and service delivery targets is noted as set out in the following tables:

   i. Budgeted Financial Position as contained in **ANNEXURE "AA" page 619**
   ii. Budgeted Cash Flows as contained **in ANNEXURE "AA" page 621**
   iii. Cash backed reserves and accumulated surplus reconciliation as contained in **ANNEXURE "AA" page 622**
   iv. Asset management as contained in **ANNEXURE "AA" page 623**

3. **THAT** the quality certification of the draft budget signed by the Municipal Manager as required by section 5 of the Municipal Budget and Reporting regulations attached hereto as **ANNEXURE "AA" page 686** is noted.

4. **THAT** the Budget timetable for 2020/21 attached as **ANNEXURE "AA" page 693** is noted and approved.

5. **THAT** the Procurement plans for 2019/20 attached as **ANNEXURE "BB" page 705 to 709** is noted and approved.

6. **THAT** the following Emakhazeni Local Municipality's projects be removed from the Budget:

   i. Medium rescue pumper: R4, 5 Million.
   ii. Emergency open day: R400 000.
   iii. Green and Blue Drop Compliance: R333 333.

   And be replaced by :

   i. Water and Sanitation Siyathuthuka: R1 million.
   ii. Purchase and delivery of Low bed and Bull dozer : R4 233 333,00

7 **THAT** the following Steve Tshwete Local Municipality's projects be removed from the Budget:

   i. Green and Blue Drop Compliance.

   And be replaced by:

   i. Purchase of mobile flushing toilets: R333 333.

Your attention in this regard will be appreciated.

Yours faithfully

MM SKOSANA
MUNICIPAL MANAGER

1.3 Executive Summary

The application of sound financial management principles for the compilation of the District's financial plan is essential and critical to ensure that the District remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities.

The District's business and service delivery priorities were reviewed as part of this year's planning and budget process. Where appropriate, funds were transferred from low- to high-priority programmes so as to maintain sound financial stewardship. A critical review was also undertaken of expenditures on non-core and 'nice to have' items. Key areas where savings were realized were on operational administrative expenditure.

The District has undertaken various customer care initiatives to ensure the municipality truly involves all citizens in the process of ensuring a people lead government.

National Treasury's MFMA Circular No. 51, 54, 55, 58, 70, 72, 74, 75, 78, 85, 86, 93 & 94 were used to guide the compilation of the 2019/20 MTREF.

The main challenges experienced during the compilation of the 2019/20 MTREF can be summarised as follows:

- The ongoing difficulties in the national and local economy;
- Aging and poorly maintained water, roads and electricity infrastructure;
- The need to reprioritise projects and expenditure within the existing resource envelope given the cash flow realities;
- Wage increases for municipal staff that continue to exceed consumer inflation, as well as the need to fill critical vacancies;

The following budget principles and guidelines directly informed the compilation of the 2019/20 MTREF:

- The 2018/19 Adjustments Budget priorities and targets, as well as the base line allocations contained in that Adjustments Budget were adopted as the upper limits for the new baselines for the 2019/20 annual budget;
- Intermediate service level standards were used to inform the measurable objectives, targets and backlog eradication goals;
- There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and provincial budget and have been gazetted as required by the annual Division of Revenue Act;
- The following items and allocations to these items had to be supported by a list and/or motivation setting out the intention and cost of the expenditure which was used to prioritise expenditures:
    - Special Projects;
    - Consultant Fees;
    - Furniture and office equipment;
    - Special Events;
    - Refreshments and entertainment;
    - Ad-hoc travelling; and
    - Subsistence, Travelling & Conference fees (national & international).

In view of the aforementioned, the following table is a consolidated overview of the proposed 2019/20 Medium-term Revenue and Expenditure Framework:

Table 1 Consolidated Overview of the 2019/20 MTREF

DESCRIPTION	FEB ADJ BUDGET 18/19	Sum of Total Budget 19/20	Sum of 2021 Annual Budget	Sum of 2022 Annual Budget
TOTAL REVENUE	383 351 495	386 980 001	393 797 000	403 536 000
TOTAL EXPENDITURE	452 305 003	461 131 024	448 546 780	420 224 392
NET SURPLUS/(DEFICIT	-68953510	-74151023	-54749780	-16688392
Transfers Recognised - Capital or Contributed Assets	3 680 000	2 310 000	2 442 000	2 577 000
Surplus/(Deficit) for the year after transfers recognised and contributed assets	-68953510	-71841023	-52307780	-14111392
TOTAL CAPITAL EXPENDITURE	30 745 947	36 600 000	30 688 180	24 590 000
TOTAL LOAN REDEMPTION	3 679 646	2 022 810	398 364	-

Total operating revenue for the 2019/20 financial year has been appropriated at R386,980 million and will be funded mostly by monetary grant funding from national government. For the two outer years, operational revenue will amount to R393,797 and R403,536.

Total operating expenditure for the 2019/20 financial year has been appropriated at R461,131 million and translates into a budgeted deficit of R74,151 million, which will be funded from cash-backed accumulated operating surpluses. When compared to the 2018/19 Adjustments Budget, operational expenditure has increased by 1.95 per cent in the 2019/20 budget and decreased by 2.73 per cent for the 2020/21 budget and decrease with 6.31 per cent for the 2021/22 budget year of the MTREF. The reason for the decline in operating expenditure is the depletion of cash backed reserves over the MTREF.

The capital budget of R36,600 million for 2019/20 increased with 19.04 per cent compared to the 2018/19 Adjustment Budget of R30,746 million. The capital programme decreases to R30,688 million in the 2020/21 financial year and further decreases to R24,590 million in 2021/22. The capital budget will be funded from internally generated funds and accumulated surplus.

1.4 Operating Revenue Framework

For Nkangala District Municipality to continue improving the quality of services provided to its citizens and local municipalities it needs to generate the required revenue. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with development backlogs and poverty. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in relation to balancing expenditures against realistically anticipated revenues.

The municipality's revenue strategy is built around the following key components:

- National Treasury's guidelines and macroeconomic policy;
- Growth in the District and continued economic development;
- Efficient revenue management,;

The following table is a summary of the 2019/20 MTREF (classified by main revenue source):

Table 2 Summary of revenue classified by main revenue source

DC31 Nkangala - Table A1 Budget Summary										
Description	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Financial Performance										
Property rates	–	–	–	–	–	–	–	–	–	–
Service charges	–	–	–	–	–	–	–	–	–	–
Investment revenue	38 235	43 921	41 793	22 459	30 591	30 591	11 655	25 450	23 460	21 470
Transfers recognised - operational	338 036	337 235	344 488	348 588	348 588	348 588	261 901	359 405	368 176	379 869
Other own revenue	3 483	4 572	2 932	2 346	4 172	4 172	3 484	2 125	2 161	2 197
Total Revenue (excluding capital transfers and contributions)	379 755	385 728	389 213	373 393	383 351	383 351	277 039	386 980	393 797	403 536

Table 3 Percentage growth in revenue by main revenue source

		Sum of Final Budget		Sum of 2021 Final		Sum of 2022 Final	
DESCRIPTION	FEB ADJ BUDGET 18/19	19/20	%	Budget	%	Budget	%
INVESTMENT REVENUE	30,591,340	25,495,000	-16.66	23,510,000	-7.79	21,525,000	-8.44
TRANSFERS recognised – OPERATIONAL	348,588,000	359,405,001	3.10	368,176,000	2.44	379,869,000	3.18
OTHER OWN REVENUE	4,172,155	2,080,000	-50.15	2,111,000	1.49	2,142,000	1.47
TOTAL REVENUE (excl capital transfers and contributions)	**383,351,495**	**386,980,001**	**0.95**	**393,797,000**	**1.76**	**403,536,000**	**2.47**

In line with the formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from the operating statement, as inclusion of these revenue sources would distort the calculation of the operating surplus/deficit.

Total operating revenue has increased by 0.95 per cent or R3,629 million to R386,980 million for the 2019/20 financial year when compared to the 2018/19 Adjustments Budget. For the two outer years, operational revenue will increase by 1.76 and 2.47 per cent respectively, equating to a total revenue growth of R20,184 million over the MTREF when compared to the 2018/19 financial year.

Operating Grants form a significant percentage of the revenue basket for the District. In the 2019/20 financial year, the operating grants total R359,405 million and constitute 92.87 per cent of total revenue. This increases to R368,176 million and R379,869 million in the respective financial years of the MTREF. The main portion of the operating grants is the RSC Levy Replacement grant, which can be classified as own revenue as well because it replaced the RSC Levies that were abolished in 2006.

Table 4 Operating Transfers and Grant Receipts

Description	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
RSC Levy Replacement Grant and Equitable Share	326 223	333 667	339 056	343 962	343 962	343 962	356 274	367 176	378 869
Finance Management Grant	1 250	1 250	1 250	1 000	1 000	1 000	1 000	1 000	1 000
Municipal Systems Improvement	930	-	-	-	-	-	–	-	-
Expanded Public Works Program	2 280	2 318	4 182	3 626	3 626	3 626	2 131	–	–
Provincial Treasury Data cleansing	3 000	-	-	-	-	-	–	–	–
Donations	-	-	–	–	1 500	1 500	–	–	–
Total Grant Revenue (excluding capital transfers and contributions)	333 683	337 235	344 488	348 588	350 088	350 088	359 405	368 176	379 869

Investment revenue is the second largest revenue source totalling 6.59 per cent or R25,495 million and decreases to R21,525 million by 2021/22. The third largest source is 'other revenue' which consists of various items such as income received from discounts, sale of tender documents and sundry income.

It must also be appreciated that the consumer price index, as measured by CPI, is not a good measure of the cost increases of goods and services relevant to municipalities. The basket of goods and services utilised for the calculation of the CPI consist of items such as food, petrol and medical services, whereas the cost drivers of a municipality are informed by items such as the cost of remuneration, petrol, diesel, contracted services etc. The current challenge facing the District is managing the gap between cost drivers and revenue income, as any shortfall must be made up by either operational efficiency gains or service level reductions.

1.5 Operating Expenditure Framework

The District's expenditure framework for the 2019/20 budget and MTREF is informed by the following:

- Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- The contribution to local municipalities is aligned to the asset, IDP and backlog eradication plan;
- Operational gains and efficiencies will be directed to funding the contribution to local municipalities and other core services; and
- Project lists submitted by local municipalities.

The following table is a high level summary of the 2019/20 budget and MTREF (classified per main type of operating expenditure):

Table 5 Summary of operating expenditure by standard classification item

Description	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
Ezpenditure by Type R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Employee related costs	90,060	108,540	123,428	144,287	143,364	143,364	88,996	152,389	156,961	160,100
Remuneration of councillors	12,882	12,587	13,520	13,498	14,730	14,730	9,384	15,108	16,015	16,975
Depreciation & asset impairment	9,566	9,609	10,573	9,380	15,526	15,526	10,405	16,139	14,948	12,925
Finance charges	1,519	1,127	780	968	635	635	360	174	21	-
Other materials			148		7,387	7,387	-	8,022	9,119	9,741
Contracted services	30,847	33,926	38,438	54,294	54,337	54,337	26,220	58,516	56,647	60,226
Transfers and subsidies	177,349	162,301	176,411	167,509	166,623	166,623	62,382	155,421	135,659	97,060
Other expenditure	34,624	35,835	38,688	55,287	49,703	49,703	20,499	55,362	59,177	63,197
Loss on disposal of PPE	-	71					39	-	-	-
Total Expenditure	**356,846**	**363,996**	**401,989**	**445,224**	**452,305**	**452,305**	**218,286**	**461,131**	**448,547**	**420,224**

The budgeted allocation for employee related costs for the 2019/20 financial year totals R152,389 million, which equals 33.05 per cent of the total operating expenditure. Based on MFMA budget circulars as issued by National Treasury, salary increases have been factored into this budget at a percentage increase of 7.0 per cent for the 2019/20 financial year. An annual increase of CPI plus additional 1% as per agreement has been included in the two outer years of the MTREF.

Provision has been made in the budget to include positions in the organogram to ensure that the priorities set out in the IDP and matters raised by the Auditor General are adequately attended to.

The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been taken into account in compiling the District's budget and allowed for an increase rate in the same percentage as per the collective agreement.

The provision of debt impairment was determined based on an annual collection rate of 99 per cent and the Credit Control and Debt Collection Policy of the District. For the 2019/20 financial year this amount is immaterial. While this expenditure is considered to be a non-cash flow item, it informed the total cost associated with rendering the services of the municipality, as well as the municipality's realistically anticipated revenues.

Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate asset consumption. Budget appropriations in this regard total R16,139 million for the 2019/20 financial and equates to 3.49 per cent of the total operating expenditure.

Finance charges consist primarily of the repayment of interest on long-term borrowing (cost of capital). Finance charges make up 0.04 per cent or R174 thousands of operating expenditure excluding annual redemption for 2019/20 and decreases to R 21 thousand by 2020/21. The DBSA loan will be fully redeemed in September 2019 and the finance leases will expire during the 2020/21 financial year.

Other expenditure comprises of various line items relating to the daily operations of the municipality. Other expenditure decreased with -43.75 per cent for 2019/20 and increase at 5.82 and 6.79 per cent for the two outer years respectively. Further details relating to contracted services can be seen in table 49 MBRR SA1 (see page 76)

The following graphical presentation gives a breakdown of the main expenditure categories for the 2019/20 financial year.

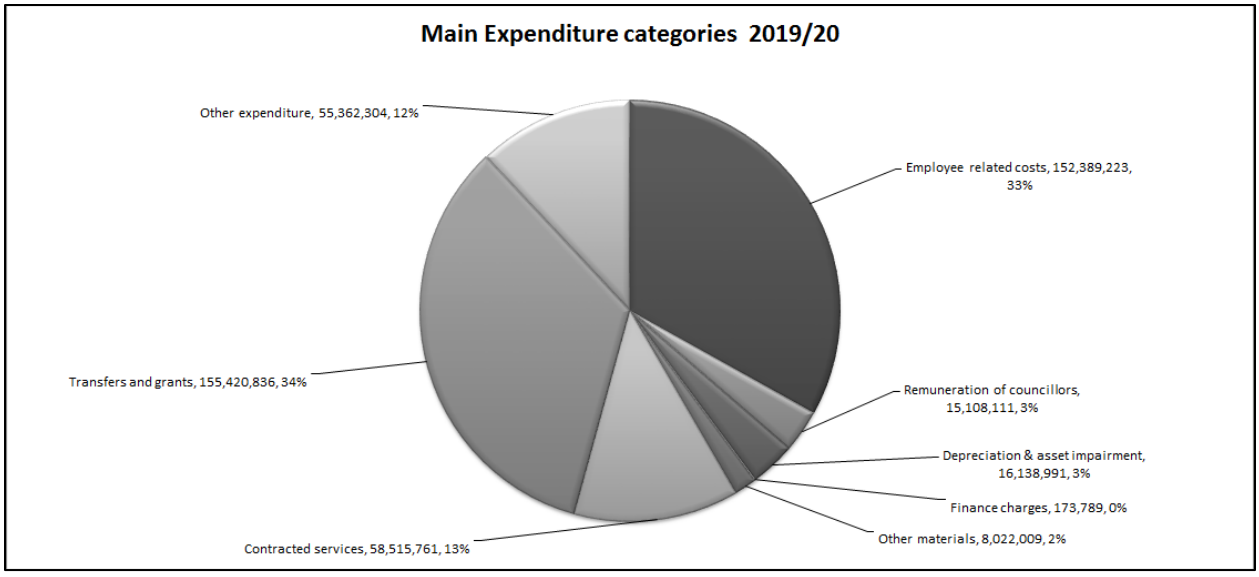

Main Expenditure categories 2019/20
Other expenditure, 55,362,304, 12%
Employee related costs, 152,389,223, 33%
Transfers and grants, 155,420,836, 34%
Remuneration of councillors, 15,108,111, 3%
Depreciation & asset impairment, 16,138,991, 3%
Finance charges, 173,789, 0%
Other materials, 8,022,009, 2%
Contracted services, 58,515,761, 13%

Figure 1 Main operational expenditure categories for the 2019/20 financial year

1.5.1 Priority given to Contribution to Local Municipalities

The prioritised projects submitted by Local Municipalities as contained in the approved 2019/20 IDP of the District to improve service delivery and eradicate backlogs was the main focus for this expenditure category.

The following table gives a breakdown of the main expenditure categories per Local Municipality for the 2019/20 financial year.

Table 6 Breakdown of the main expenditure categories per Local Municipality

LOCAL MUNICIPALITY	FEB ADJ BUDGET 18/19	FINAL BUDGET 2019/20	FINAL BUDGET 2020/21	FINAL BUDGET 2021/22
DR JS MOROKA LM	**22,638,066**	**42,428,003**	**40,385,045**	**19,639,265**
Community and Social Services	704,300	337,977	380,000	957,000
Finance and Admin	1,374,256	7,096,193	6,135,508	1,162,265
Planning and Development	9,413,100	23,993,833	11,369,537	5,520,000
Road Transport	4,400,000	7,500,000	15,500,000	5,000,000
Water	6,746,410	3,500,000	7,000,000	7,000,000
EMAKHAZENI LM	**26,938,312**	**19,140,461**	**5,910,999**	**3,525,265**
Community and Social Services	277,967	297,977	340,000	363,000
Finance and Admin	1,131,756	901,912	925,789	1,162,265
Planning and Development	8,841,100	13,919,083	4,645,210	2,000,000
Waste Water Management	8,762,000	-	-	-
Water	7,925,489	4,021,489	-	-
EMALAHLENI LM	**23,406,685**	**14,642,027**	**17,356,295**	**8,489,875**
Community and Social Services	751,300	297,977	340,000	913,000
Finance and Admin	1,447,037	1,309,328	1,316,295	1,076,875
Planning and Development	600,000	333,333	5,200,000	2,000,000
Road Transport	3,487,889	-	-	-
Waste Water Management	8,325,459	10,201,389	6,250,000	2,250,000
Water	8,795,000	2,500,000	4,250,000	2,250,000
NKANGALA DM	**28,979,361**	**17,859,120**	**15,059,435**	**12,990,608**
Community and Social Services	3,061,500	3,350,000	3,601,000	3,892,000
Finance and Admin	1,086,750	700,000	-	500,000
Planning and Development	22,256,111	11,499,120	9,016,435	6,021,608
Road Transport	2,180,000	2,310,000	2,442,000	2,577,000
Water	395,000	-	-	-
STEVE TSHWETE LM	**21,896,259**	**12,970,638**	**18,506,295**	**10,959,875**
Community and Social Services	362,967	252,977	780,000	293,000
Finance and Admin	714,475	539,328	566,295	596,875
Health	-	45,000	60,000	70,000
Planning and Development	15,130,927	-	200,000	2,000,000
Public Safety	-	1,800,000	-	-
Road Transport	5,687,890	10,000,000	16,900,000	8,000,000
Waste Water Management	-	333,333	-	-
THEMBISILE HANI LM	**27,793,630**	**34,828,843**	**26,731,840**	**28,689,265**
Community and Social Services	328,300	292,977	820,000	337,000
Finance and Admin	1,153,256	902,193	925,789	1,162,265
Health		45,000	60,000	70,000
Planning and Development	7,200,000	7,176,333	5,426,051	4,620,000
Road Transport	18,246,330	26,412,340	19,500,000	22,500,000
Water	865,744	-	-	-
VICTOR KHANYE LM	**14,970,965**	**13,551,744**	**11,709,030**	**12,765,865**
Community and Social Services	272,967	652,977	615,000	293,000
Finance and Admin	1,471,037	1,288,474	1,307,070	1,402,865
Health	-	45,000	60,000	70,000
Planning and Development	5,200,000	2,038,333	200,000	2,000,000
Road Transport	-	4,526,960	4,526,960	4,000,000
Waste Water Management	6,000,000	-	-	-
Water	2,026,961	5,000,000	5,000,000	5,000,000
Grand Total	**166,623,278**	**155,420,836**	**135,658,939**	**97,060,018**

1.5.2 Priority given to repairs and maintenance

Aligned to the priority being given to preserving and maintaining the District's current infrastructure, which amongst others include the main office building of the District, the 2019/20 budget and MTREF provide for extensive growth in the area of asset maintenance, as informed by the repairs and maintenance plan of the District. In terms of the Municipal Budget and Reporting Regulations, operational repairs and maintenance is not considered a direct expenditure driver but an outcome of certain other expenditures, such as remuneration, purchases of materials and contracted services. Considering that the only cost driver for the District is contracted services, the following table is a consolidation of all the expenditures associated with repairs and maintenance. The repairs and maintenance is 10.4% of the total operating expenditure and 13.8% of the carrying value of Property, Plant and Equipment.

Table 7 Operational repairs and maintenance

The table below provides a breakdown of the repairs and maintenance:

Description	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Depreciation & asset impairment	9 566	9 609	10 573	9 380	15 526	15 526	16 139	14 948	12 925
Repairs and Maintenance	6 721	4 844	13 106	21 560	23 762	23 762	23 771	21 783	21 848

R&M as a % of PPE	*5.0%*	*3.0%*	*7.9%*	*10.9%*	*12.0%*	*12.0%*	*14.5%*	*11.4%*	*10.7%*
R&M as % Operating Expenditure	*1.9%*	*1.3%*	*3.3%*	*4.8%*	*5.3%*	*5.3%*	*10.9%*	*4.7%*	*4.9%*

1.6 Capital expenditure

The following table provides a breakdown of budgeted capital expenditure by vote:

Table 8 2019/20 Medium-term capital budget per asset class

ASSET TYPE	FEB ADJ BUDGET 18/19	Sum of Final Budget 19/20	Sum of 2021 Final Budget	Sum of 2022 Final Budget
Intangible Assets	**3,850,000**	**7,000,000**	**3,000,000**	**3,000,000**
Other	3,850,000	7,000,000	3,000,000	3,000,000
Property Plant and Equipment	**26,895,947**	**29,600,000**	**27,688,180**	**21,590,000**
Community Assets	2,692,807	3,100,000	3,600,000	1,000,000
Computer Equipment	1,280,000	1,500,000	2,500,000	2,000,000
Furniture and Office Equipment	3,068,889	3,490,000	3,463,180	2,080,000
Information and Communication Infrastructure	300,000	6,900,000	6,500,000	6,000,000
Land	1,500,000	-		
Machinery and Equipment	2,675,750	450,000	1,815,000	-
Other Assets	10,006,501	11,060,000	9,810,000	10,510,000
Transport Assets	4,872,000	3,100,000	-	-
Water Supply Infrastructure	500,000	-		
Grand Total	**30,745,947**	**36,600,000**	**30,688,180**	**24,590,000**

Total assets represent R36,600 million of the total budget. Further detail relating to asset classes and proposed capital expenditure is contained in Table 18 MBRR A9 (Asset Management) on page 28. In addition to the MBRR Table A9, MBRR Tables SA34a and SA34c provides a detailed breakdown of the capital programme relating to new asset construction, capital asset renewal as well as operational repairs and maintenance by asset class (refer to pages 81 and 82). Some of the salient projects to be undertaken over the medium-term includes, amongst others:

1.6.1 Future operational cost of new infrastructure

The future operational costs and revenues associated with the capital programme have been included in Table 47 MBRR SA35 on page 84. This table shows that future operational costs associated with the capital programme totals R5,430 million in 2019/20 and escalates to R5,524 million by 2020/21. This concomitant operational expenditure is expected to escalate to R6,148 million by 2021/22. It needs to be noted that as part of the 2019/20 MTREF, this expenditure has been factored into the two outer years of the operational budget.

1.7 Annual Budget Tables

The following eighteen pages present the ten main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2019/20 budget and MTREF as approved by the Council. Each table is accompanied by *explanatory notes* on the facing page.

Table 9 MBRR Table A1 - Budget Summary

DC31 Nkangala - Table A1 Budget Summary										
Description	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Financial Performance										
Property rates	–	–	–	–	–	–	–	–	–	–
Service charges	–	–	–	–	–	–	–	–	–	–
Investment revenue	38,235	43,921	41,793	22,459	30,591	30,591	11,655	25,450	23,460	21,470
Transfers recognised - operational	338,036	337,235	344,488	348,588	348,588	348,588	261,901	359,405	368,176	379,869
Other own revenue	3,483	4,572	2,932	2,346	4,172	4,172	3,484	2,125	2,161	2,197
Total Revenue (excluding capital transfers and contributions)	379,755	385,728	389,213	373,393	383,351	383,351	277,039	386,980	393,797	403,536
Employee costs	90,060	108,540	123,428	144,287	143,364	143,364	88,996	152,389	156,961	160,100
Remuneration of councillors	12,882	12,587	13,520	13,498	14,730	14,730	9,384	15,108	16,015	16,975
Depreciation & asset impairment	9,566	9,609	10,573	9,380	15,526	15,526	10,405	16,139	14,948	12,925
Finance charges	1,519	1,127	780	968	635	635	360	174	21	–
Materials and bulk purchases	–	–	148	–	7,387	7,387	–	8,022	9,119	9,741
Transfers and grants	177,349	162,301	176,411	167,509	166,623	166,623	62,382	155,421	135,659	97,060
Other expenditure	65,471	69,831	77,130	109,581	104,040	104,040	46,758	113,878	115,824	123,423
Total Expenditure	356,846	363,996	401,989	445,224	452,305	452,305	218,286	461,131	448,547	420,224
Surplus/(Deficit)	22,909	21,732	(12,777)	(71,831)	(68,954)	(68,954)	58,753	(74,151)	(54,750)	(16,688)
Transfers and subsidies - capital (monetary allocations) (Na	2,010	2,076	2,175	2,180	2,180	2,180	–	2,310	2,442	2,577
Contributions recognised - capital & contributed assets	–	–	–	–	1,500	1,500	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	24,919	23,808	(10,602)	(69,651)	(65,274)	(65,274)	58,753	(71,841)	(52,308)	(14,111)
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	24,919	23,808	(10,602)	(69,651)	(65,274)	(65,274)	58,753	(71,841)	(52,308)	(14,111)
Capital expenditure & funds sources										
Capital expenditure	**29,181**	34,803	21,621	33,248	30,746	30,746	8,159	36,600	30,688	24,590
Transfers recognised - capital	–	–	–	–	–	–	–	–	–	–
Borrowing	–	–	–	–	–	–	–	–	–	–
Internally generated funds	**29,181**	34,803	21,621	33,248	30,746	30,746	8,159	36,600	30,688	24,590
Total sources of capital funds	**29,181**	34,803	21,621	33,248	30,746	30,746	8,159	36,600	30,688	24,590
Financial position										
Total current assets	**559,368**	573,318	525,276	515,507	516,526	516,526	575,748	443,841	371,998	338,968
Total non current assets	**176,863**	206,402	221,496	248,865	252,223	252,223	219,208	261,575	280,709	297,807
Total current liabilities	**40,872**	58,213	39,980	53,202	53,202	53,202	28,303	62,430	56,872	50,648
Total non current liabilities	**23,698**	24,813	23,405	25,853	25,853	25,853	23,405	25,532	30,688	35,092
Community wealth/Equity	**671,662**	696,694	683,386	685,318	689,695	689,695	743,248	617,454	565,147	551,035
Cash flows										
Net cash from (used) operating	**66,361**	34,617	900	35,106	(13,745)	(13,745)	83,274	4,216	(37,103)	(1,993)
Net cash from (used) investing	**(33,329)**	(38,505)	(25,959)	(37,368)	(34,866)	(34,866)	(8,159)	(41,651)	(36,090)	(30,532)
Net cash from (used) financing	**(3,085)**	(3,353)	(1,909)	(3,085)	(3,085)	(3,085)	(2,148)	(2,480)	(820)	(750)
Cash/cash equivalents at the year end	**465,142**	457,901	430,933	372,359	379,237	379,237	481,413	339,322	265,309	232,034
Cash backing/surplus reconciliation										
Cash and investments available	**506,005**	502,748	480,152	421,325	428,204	428,204	530,632	393,340	324,729	297,396
Application of cash and investments	**11,312**	(14,139)	20,824	41,772	41,772	41,772	19,002	50,325	47,488	39,433
Balance - surplus (shortfall)	**494,692**	516,887	459,328	379,553	386,432	386,432	511,631	343,015	277,240	257,963
Asset management										
Asset register summary (WDV)	**136,001**	161,065	164,388	199,899	203,256	203,256	203,256	207,558	223,298	234,963
Depreciation	**9,566**	9,609	10,573	9,380	15,526	15,526	15,526	16,139	14,948	12,925
Renewal and Upgrading of Existing Assets	–	–	–	–	–	–	–	–	–	–
Repairs and Maintenance	**6,721**	4,844	13,106	21,560	23,762	23,762	23,762	23,771	21,783	21,848

Explanatory notes to MBRR Table A1 - Budget Summary

1. Table A1 is a budget summary and provides a concise overview of the District's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
3. Financial management reforms emphasise the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
    a. The operating surplus/deficit (after Total Expenditure) is positive over the MTREF
    b. Capital expenditure is balanced by capital funding sources, of which
        i. Internally generated funds are financed from a combination of the current operating surplus and accumulated cash-backed surpluses from previous years. The amount is incorporated in the Net cash from investing on the Cash Flow Budget. The fact that the municipality's cash flow remains positive, and is improving indicates that the necessary cash resources are available to fund the Capital Budget.
4. The Cash backing/surplus reconciliation shows that in previous financial years the municipality was paying much attention to managing this aspect of its finances, and consequently all of its obligations are cash-backed. This places the municipality in a very positive financial position. Cash-backed surplus will decrease to R343,015 million in 2019/20, which is an indication that the NDM operational expenditure needs to be carefully scrutinized and either administrative operational expenditure or contributions to Local Municipalities needs to be decreased.

Table 10 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

DC31 Nkangala - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)										
Functional Classification Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Revenue - Functional										
Governance and administration		381,673	385,288	385,928	370,427	379,705	379,705	385,849	394,859	404,663
Executive and council		2	6	1	11	12	12	–	–	–
Finance and administration		381,670	385,282	385,927	370,417	379,694	379,694	385,849	394,859	404,663
Internal audit		–	–	–	–	–	–	–	–	–
Community and public safety		1	(18)	1,036	1,100	2,350	2,350	900	950	1,000
Community and social services		–	(26)	–	–	–	–	–	–	–
Sport and recreation		–	–	–	–	–	–	–	–	–
Public safety		1	(1)	294	350	1,600	1,600	100	100	100
Housing		–	–	–	–	–	–	–	–	–
Health		–	10	742	750	750	750	800	850	900
Economic and environmental services		91	2,558	4,423	4,046	4,976	4,976	2,541	430	450
Planning and development		21	2,305	4,182	3,626	3,626	3,626	2,131	–	–
Road transport		–	–	–	–	–	–	–	–	–
Environmental protection		70	254	241	420	1,350	1,350	410	430	450
Trading services		–	–	–	–	–	–	–	–	–
Energy sources		–	–	–	–	–	–	–	–	–
Water management		–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–
Waste management		–	–	–	–	–	–	–	–	–
Other	4	–	–	–	–	–	–	–	–	–
Total Revenue - Functional	2	381,765	387,828	391,388	375,573	387,031	387,031	389,290	396,239	406,113
Expenditure - Functional										
Governance and administration		111,141	124,138	126,987	160,626	164,998	164,998	179,550	184,030	188,243
Executive and council		50,805	33,784	31,229	36,677	37,271	37,271	35,951	38,030	39,875
Finance and administration		60,336	83,795	87,756	111,838	116,362	116,362	131,905	133,974	135,422
Internal audit		–	6,559	8,003	12,111	11,364	11,364	11,694	12,026	12,947
Community and public safety		56,784	71,511	84,734	96,016	101,922	101,922	105,908	108,059	108,911
Community and social services		26,709	29,603	27,213	31,498	33,995	33,995	36,813	40,030	41,164
Sport and recreation		–	–	–	–	–	–	–	–	–
Public safety		20,045	20,496	31,843	35,772	39,473	39,473	39,497	37,119	35,798
Housing		–	–	–	–	–	–	–	–	–
Health		10,030	21,412	25,677	28,746	28,454	28,454	29,598	30,910	31,950
Economic and environmental services		176,531	166,823	185,920	187,284	184,238	184,238	174,314	154,973	121,650
Planning and development		43,300	165,281	183,723	185,073	181,835	181,835	170,303	150,298	117,432
Road transport		131,830	–	–	–	–	–	–	–	–
Environmental protection		1,400	1,541	2,197	2,211	2,402	2,402	4,012	4,676	4,219
Trading services		–	–	–	–	–	–	–	–	–
Energy sources		–	–	–	–	–	–	–	–	–
Water management		–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–
Waste management		–	–	–	–	–	–	–	–	–
Other	4	12,391	1,524	4,348	1,297	1,147	1,147	1,358	1,484	1,420
Total Expenditure - Functional	3	356,846	363,996	401,989	445,224	452,305	452,305	461,131	448,547	420,224
Surplus/(Deficit) for the year		24,919	23,832	(10,602)	(69,651)	(65,274)	(65,274)	(71,841)	(52,308)	(14,111)

Explanatory notes to MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

1. Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms if each of these functional areas which enables the National Treasury to compile 'whole of government' reports.

Table 11 MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

DC31 Nkangala - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)										
Vote Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Revenue by Vote	1									
Vote 1 - Municipal Manager		8	(2)	(6)	11	12	12	–	–	–
Vote 2 - Chief Finance Officer		381,665	385,290	385,934	370,417	379,694	379,694	385,849	394,859	404,663
Vote 3 - GM Corporate services		–	–	–	–	–	–	–	–	–
Vote 4 - GM Social Services		72	235	1,278	1,520	3,700	3,700	1,310	1,380	1,450
Vote 5 - GM Planning & Economic Development		21	2,304	4,182	3,626	3,626	3,626	2,131	–	–
Vote 6 - GM Technical Services		–	–	–	–	–	–	–	–	–
Vote 7 - null		–	–	–	–	–	–	–	–	–
Vote 8 - null		–	–	–	–	–	–	–	–	–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–	–	–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–
Total Revenue by Vote	2	**381,765**	**387,828**	**391,388**	**375,573**	**387,031**	**387,031**	**389,290**	**396,239**	**406,113**
Expenditure by Vote *to be appropriated*	1									
Vote 1 - Municipal Manager		58,790	60,183	63,439	81,775	84,965	84,965	99,322	97,922	97,649
Vote 2 - Chief Finance Officer		42,713	37,454	27,055	31,652	31,261	31,261	32,140	33,214	34,198
Vote 3 - GM Corporate services		27,003	29,243	41,160	52,242	52,734	52,734	54,573	57,329	59,703
Vote 4 - GM Social Services		57,055	73,052	86,931	98,227	104,325	104,325	109,920	112,735	113,130
Vote 5 - GM Planning & Economic Development		53,350	47,872	39,744	51,591	52,663	52,663	39,076	33,713	42,062
Vote 6 - GM Technical Services		117,935	116,191	143,659	129,736	126,356	126,356	126,100	113,634	73,483
Vote 7 - null		–	–	–	–	–	–	–	–	–
Vote 8 - null		–	–	–	–	–	–	–	–	–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–	–	–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–
Total Expenditure by Vote	2	**356,846**	**363,996**	**401,989**	**445,224**	**452,305**	**452,305**	**461,131**	**448,547**	**420,224**
Surplus/(Deficit) for the year	2	**24,919**	**23,832**	**(10,602)**	**(69,651)**	**(65,274)**	**(65,274)**	**(71,841)**	**(52,308)**	**(14,111)**

Explanatory notes to MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

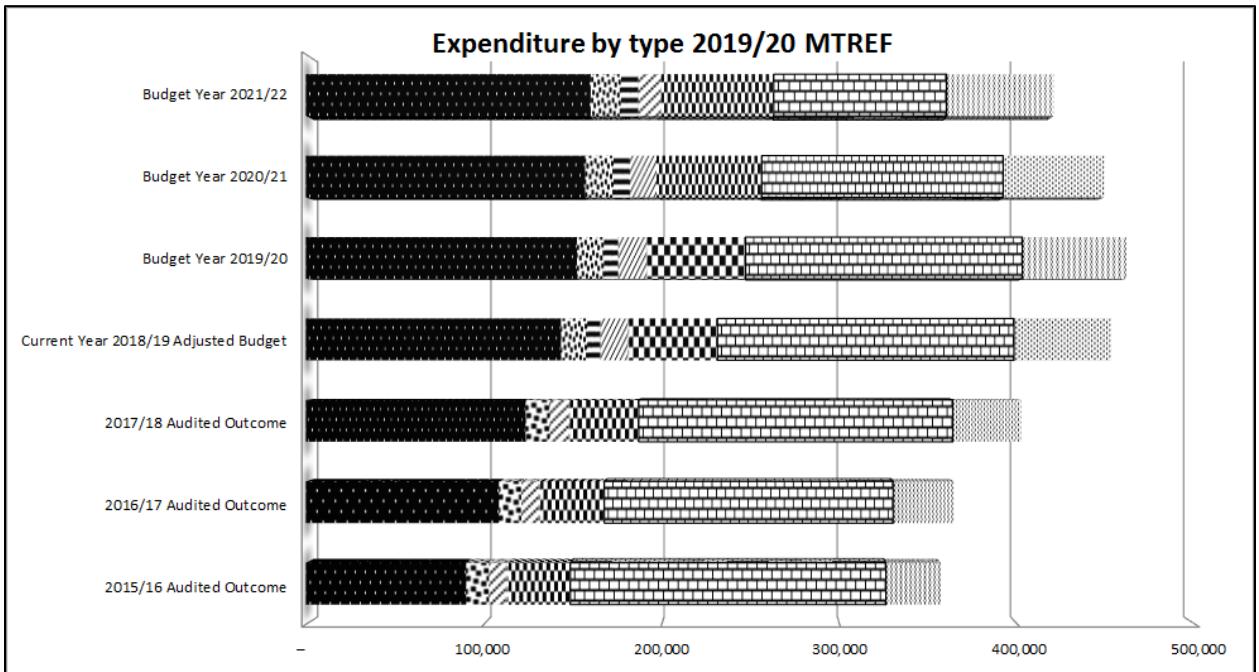
1. Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organisational structure of the District. This means it is possible to present the operating surplus or deficit of a vote.

Table 12 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)

DC31 Nkangala - Table A4 Budgeted Financial Performance (revenue and expenditure)											
Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Revenue By Source											
Property rates	2	–	–	–	–	–	–	–	–	–	–
Service charges - electricity revenue	2	–	–	–	–	–	–	–	–	–	–
Service charges - water revenue	2	–	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue	2	–	–	–	–	–	–	–	–	–	–
Service charges - refuse revenue	2	–	–	–	–	–	–	–	–	–	–
Rental of facilities and equipment		102	100		11	11	11	21	–	–	–
Interest earned - external investments		38,235	43,921	41,793	22,459	30,591	30,591	11,655	25,450	23,460	21,470
Interest earned - outstanding debtors					–	–	–		–	–	–
Dividends received					–	–	–		–	–	–
Fines, penalties and forfeits		2,440	1,628	1,270	900	1,802	1,802	1,240	800	760	720
Licences and permits		70	263	983	1,170	900	900	656	960	1,020	1,080
Agency services					–	–	–	–	–	–	–
Transfers and subsidies		338,036	337,235	344,488	348,588	348,588	348,588	261,901	359,405	368,176	379,869
Other revenue	2	843	2,537	685	266	1,460	1,460	1,567	365	381	397
Gains on disposal of PPE		28	44	(7)	–						
Total Revenue (excluding capital transfers and contributions)		**379,755**	**385,728**	**389,213**	**373,393**	**383,351**	**383,351**	**277,039**	**386,980**	**393,797**	**403,536**
Expenditure By Type											
Employee related costs	2	90,060	108,540	123,428	144,287	143,364	143,364	88,996	152,389	156,961	160,100
Remuneration of councillors		12,882	12,587	13,520	13,498	14,730	14,730	9,384	15,108	16,015	16,975
Debt impairment	3			4					–	–	–
Depreciation & asset impairment	2	9,566	9,609	10,573	9,380	15,526	15,526	10,405	16,139	14,948	12,925
Finance charges		1,519	1,127	780	968	635	635	360	174	21	–
Bulk purchases	2	–	–	–	–	–	–	–	–	–	–
Other materials	8			148		7,387	7,387	–	8,022	9,119	9,741
Contracted services		30,847	33,926	38,438	54,294	54,337	54,337	26,220	58,516	56,647	60,226
Transfers and subsidies		177,349	162,301	176,411	167,509	166,623	166,623	62,382	155,421	135,659	97,060
Other expenditure	4, 5	34,624	35,835	38,688	55,287	49,703	49,703	20,499	55,362	59,177	63,197
Loss on disposal of PPE		–	71					39	–	–	–
Total Expenditure		**356,846**	**363,996**	**401,989**	**445,224**	**452,305**	**452,305**	**218,286**	**461,131**	**448,547**	**420,224**
Surplus/(Deficit)		**22,909**	**21,732**	**(12,777)**	**(71,831)**	**(68,954)**	**(68,954)**	**58,753**	**(74,151)**	**(54,750)**	**(16,688)**
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		2,010	2,076	2,175	2,180	2,180	2,180	–	2,310	2,442	2,577
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)	6	–	–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (in-kind - all)						1,500	1,500	–			
Surplus/(Deficit) after capital transfers & contributions		**24,919**	**23,808**	**(10,602)**	**(69,651)**	**(65,274)**	**(65,274)**	**58,753**	**(71,841)**	**(52,308)**	**(14,111)**
Taxation											
Surplus/(Deficit) after taxation		**24,919**	**23,808**	**(10,602)**	**(69,651)**	**(65,274)**	**(65,274)**	**58,753**	**(71,841)**	**(52,308)**	**(14,111)**
Attributable to minorities											
Surplus/(Deficit) attributable to municipality		**24,919**	**23,808**	**(10,602)**	**(69,651)**	**(65,274)**	**(65,274)**	**58,753**	**(71,841)**	**(52,308)**	**(14,111)**
Share of surplus/ (deficit) of associate	7										
Surplus/(Deficit) for the year		**24,919**	**23,808**	**(10,602)**	**(69,651)**	**(65,274)**	**(65,274)**	**58,753**	**(71,841)**	**(52,308)**	**(14,111)**

Explanatory notes to Table A4 - Budgeted Financial Performance (revenue and expenditure)

1. Total revenue is R387,032 million in 2018/19 and escalates to R406,113 million by 2021/22. This represents a year-on-year increase of 0.95 per cent for the 2019/20 financial year, an increase of 1.76 per cent for the 2020/21 and 2.47 per cent for the 2021/22 financial year.
2. Operating Grants form a significant percentage of the revenue basket for the District. In the 2018/19 financial year, the operating grants total is R348,588 million or 90.93 per cent. This increases to R359,405 million in 2019/20 (92.87%) and to R368,176 million (93.49%) and R379,869 million (94.14%) in the respective financial years of the MTREF. Operating Grants includes the Equitable Share, the RSC Levy Replacement, Local Government Finance grant and other operating grants from national government.
3. Investment revenue is the second largest revenue source totalling 6.59 per cent or R25,495 million and decreases to R21,525 million by 2021/22. The third largest source is 'other revenue' which consists of various items such as income received from discounts, sale of tender documents and sundry income.
4. The following graph illustrates the major expenditure items per type.



	2015/16 Audited Outcome	2016/17 Audited Outcome	2017/18 Audited Outcome	Current Year 2018/19 Adjusted Budget	Budget Year 2019/20	Budget Year 2020/21	Budget Year 2021/22
Employee related costs	90,059,931	108,540,487	123,427,934	143,363,692	152,389,223	156,960,908	160,100,131
Remuneration of councillors	12,881,629	12,586,871	13,519,502	14,730,367	15,108,111	16,014,598	16,975,473
Other materials	-	-	148,137	7,387,137	8,022,009	9,119,369	9,740,505
Depreciation & asset impairment	9,565,965	9,608,533	10,573,072	15,526,071	16,138,991	14,947,851	12,924,780
Finance charges	1,519,219	1,127,296	779,649	634,576	173,789	20,764	-
Other expenditure	34,623,864	35,834,549	38,688,136	49,703,143	55,362,304	59,177,050	63,197,053
Loss on disposal of PPE	-	70,666	-	-	-	-	-
Transfers and grants	177,348,649	162,301,458	176,410,558	166,623,280	155,420,836	135,658,939	97,060,018
Contracted services	30,846,808	33,926,147	38,437,974	54,336,739	58,515,761	56,647,301	60,226,432

Figure 2 Expenditure by major type

5. Transfers and grants is the main expenditure type, which are the Contribution to Local Municipalities an amounts to R155, 421 million for the 2019/20 financial year.

The Contribution to Local Municipalities can be summarised below.

Table 13 Contributions to Local Municipalities per municipality

The following table illustrates the contribution for local municipalities for the 2019/20, 2020/21 and 2021/22 financial years:

DC31 Nkangala - Supporting Table SA21 Transfers and grants made by the municipality											
Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Non-Cash Transfers to other municipalities											
MP311 Victor Khanye	1	16,665	13,642	5,853	15,335	14,971	14,971	5,017	13,552	11,709	12,766
MP312 Emalahleni		23,933	3,551	40,861	25,064	23,407	23,407	13,217	14,642	17,356	8,490
MP313 Steve Tshwete		38,223	43,604	1,867	21,972	21,896	21,896	5,195	12,971	18,506	10,960
MP314 Emakhazeni		21,564	36,839	12,382	24,884	26,938	26,938	15,542	19,140	5,911	3,525
MP315 Thembisile Hani		21,523	22,892	56,505	37,559	27,794	27,794	6,142	34,829	26,732	28,689
MP316 Dr JS Moroka		36,619	20,830	37,112	15,493	22,638	22,638	7,185	42,428	40,385	19,639
DC31 Nkangala (Cross boundary projects)		18,822	20,943	21,830	27,203	28,979	28,979	10,083	17,859	15,059	12,991
Total Non-Cash Transfers To Municipalities:		177,349	162,301	176,411	167,509	166,623	166,623	62,382	155,421	135,659	97,060
TOTAL NON-CASH TRANSFERS AND GRANTS		177,349	162,301	176,411	167,509	166,623	166,623	62,382	155,421	135,659	97,060
TOTAL TRANSFERS AND GRANTS	6	177,349	162,301	176,411	167,509	166,623	166,623	62,382	155,421	135,659	97,060

Employee related costs and contribution to local municipalities are the main cost drivers within the district.

Table 14 MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

Vote Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Capital expenditure - Vote											
Multi-year expenditure *to be appropriated*	2										
Vote 1 - Municipal Manager		–	–	–	–	–	–	–	–	–	–
Vote 2 - Chief Finance Officer		–	–	–	–	–	–	–	–	–	–
Vote 3 - GM Corporate services		–	–	–	–	–	–	–	–	–	–
Vote 4 - GM Social Services		–	–	–	–	–	–	–	–	–	–
Vote 5 - GM Planning & Economic Development		–	–	–	–	–	–	–	–	–	–
Vote 6 - GM Technical Services		–	–	–	–	–	–	–	–	–	–
Vote 7 - null		–	–	–	–	–	–	–	–	–	–
Vote 8 - null		–	–	–	–	–	–	–	–	–	–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–	–	–	–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–	–
Capital multi-year expenditure sub-total	7	–	–	–	–	–	–	–	–	–	–
Single-year expenditure *to be appropriated*	2										
Vote 1 - Municipal Manager		12,693	509	10,654	4,750	5,716	5,716	1,708	14,500	10,600	11,000
Vote 2 - Chief Finance Officer		330	27,303	137	60	60	60	–	70	75	80
Vote 3 - GM Corporate services		684	2,480	3,292	10,810	11,191	11,191	2,873	10,010	2,060	2,060
Vote 4 - GM Social Services		15,281	3,770	6,077	15,928	12,282	12,282	2,080	10,120	17,953	11,450
Vote 5 - GM Planning & Economic Development		178	5	–	–	–	–	–	–	–	–
Vote 6 - GM Technical Services		14	737	1,461	1,700	1,497	1,497	1,497	1,900	–	–
Vote 7 - null		–	–	–	–	–	–	–	–	–	–
Vote 8 - null		–	–	–	–	–	–	–	–	–	–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–	–	–	–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–	–
Capital single-year expenditure sub-total		**29,181**	**34,803**	**21,621**	**33,248**	**30,746**	**30,746**	**8,159**	**36,600**	**30,688**	**24,590**
Total Capital Expenditure - Vote		**29,181**	**34,803**	**21,621**	**33,248**	**30,746**	**30,746**	**8,159**	**36,600**	**30,688**	**24,590**
Capital Expenditure - Functional											
Governance and administration		**13,525**	**31,028**	**14,083**	**15,620**	**16,967**	**16,967**	**4,582**	**24,580**	**12,735**	**13,140**
Executive and council		1,679	509	2,046	100	1,020	1,020	58	–	–	–
Finance and administration		11,846	27,303	12,022	15,520	15,944	15,944	4,524	24,580	12,735	13,140
Internal audit		–	3,217	16		3	3	–	–	–	–
Community and public safety		**15,281**	**3,770**	**6,077**	**15,928**	**12,282**	**12,282**	**2,080**	**10,120**	**17,953**	**11,450**
Community and social services		–	–	213	2,070	2,197	2,197	30	3,550	10,500	10,000
Sport and recreation		–	–	–	–	–	–	–	–	–	–
Public safety		13,417	2,943	3,826	12,358	8,008	8,008	1,016	4,850	6,353	–
Housing		–	–	–	–	–	–	–	–	–	–
Health		1,864	828	2,038	1,500	2,077	2,077	1,034	1,720	1,100	1,450
Economic and environmental services		**374**	**5**	**1,461**	**1,700**	**1,497**	**1,497**	**1,497**	**1,900**	–	–
Planning and development		178	5	1,461	1,700	1,497	1,497	1,497	1,900	–	–
Road transport		196	–	–					–	–	–
Environmental protection		–	–	–					–	–	–
Trading services		–	–	–	–	–	–	–	–	–	–
Energy sources		–	–	–	–	–	–	–	–	–	–
Water management		–	–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–	–
Waste management		–	–	–	–	–	–	–	–	–	–
Other		–	–	–	–	–	–	–	–	–	–
Total Capital Expenditure - Functional	3	**29,181**	**34,803**	**21,621**	**33,248**	**30,746**	**30,746**	**8,159**	**36,600**	**30,688**	**24,590**
Funded by:											
National Government		–	–	–	–	–	–	–	–	–	–
Provincial Government		–	–	–	–	–	–	–	–	–	–
District Municipality		–	–	–	–	–	–	–	–	–	–
Other transfers and grants		–	–	–	–	–	–	–	–	–	–
Transfers recognised - capital	4	–	–	–	–	–	–	–	–	–	–
Borrowing	6	–	–		–	–	–	–	–	–	–
Internally generated funds		29,181	34,803	21,621	33,248	30,746	30,746	8,159	36,600	30,688	24,590
Total Capital Funding	7	**29,181**	**34,803**	**21,621**	**33,248**	**30,746**	**30,746**	**8,159**	**36,600**	**30,688**	**24,590**

capital expenditure - Municipal Vote

Vote Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Capital expenditure - Municipal Vote											
Single-year expenditure appropriation	2										
Vote 1 - Municipal Manager		12,693	509	10,654	4,750	5,716	5,716	1,708	14,500	10,600	11,000
1.1 - Executive Mayor and Council		1,679	509	1,952	100	1,020	1,020	58	–	–	–
1.2 - Municipal Manager		–	–	93	–	–	–	–	–	–	–
1.3 - Risk Management		–	–		–	3	3	–	–	–	–
1.4 - Internal Audit		–	–	16	–	–	–	–	–	–	–
1.5 - Support Unit		–	–	–	–	–	–	–	–	–	–
1.6 - Performance Management		–	–	–	–	–	–	–	–	–	–
1.7 - Legal Services		–	–	14	–	–	–	–	–	–	–
1.8 - Information Technology		11,014	–	8,578	4,650	4,693	4,693	1,650	14,500	10,600	11,000
Vote 2 - Chief Finance Officer		330	27,303	137	60	60	60	–	70	75	80
2.1 - Finance		14	–	137	60	60	60	–	70	75	80
2.2 - Supply Chain Management		–	–	–	–	–	–	–	–	–	–
2.3 - Budget Office		316	27,303	–				–	–	–	–
2.4 - Treasury Office		–	–	–	–	–	–	–	–	–	–
Vote 3 - GM Corporate services		684	2,480	3,292	10,810	11,191	11,191	2,873	10,010	2,060	2,060
3.1 - Corporate Support		502	1,743	1,187	60	2,060	2,060	–	60	60	60
3.2 - Human Resources Administration		–	–	31		–	–	–			
3.3 - Property Services		182	737	2,074	10,750	9,131	9,131	2,873	9,600	2,000	2,000
3.4 - Public Participation		–	–	–	–	–	–	–	–	–	–
3.5 - Public Liaison		–	–		–	–	–	–	350	–	–
Vote 4 - GM Social Services		15,281	3,770	6,077	15,928	12,282	12,282	2,080	10,120	17,953	11,450
4.1 - Transversal Issues		–	–	–	–	–	–	–	–	–	–
4.2 - Youth Services		–	–	–	–	–	–	–	–	–	–
4.3 - Social Services		–	–	–	–	–	–	–	–	–	–
4.4 - Disaster Management		–	–	213	2,070	2,197	2,197	30	3,550	10,500	10,000
4.5 - Fire Fighting and Protection		13,417	2,943	3,826	12,358	8,008	8,008	1,016	4,850	6,353	–
4.6 - Pollution Control		–	–	–	–	–	–	–	–	–	–
4.7 - Health Services		1,864	828	2,038	1,500	2,077	2,077	1,034	1,720	1,100	1,450
Vote 5 - GM Planning & Economic Development		178	5	–	–	–	–	–	–	–	–
5.1 - Tourism		–	–	–	–	–	–	–	–	–	–
5.2 - LED		178	–	–	–	–	–	–	–	–	–
5.3 - EPWP		–	5	–	–	–	–	–	–	–	–
5.4 - IDP		–	–	–	–	–	–	–	–	–	–
5.5 - Town Planning		–	–	–	–	–	–	–	–	–	–
Vote 6 - GM Technical Services		14	737	1,461	1,700	1,497	1,497	1,497	1,900	–	–
6.1 - Development Facilitation: Regional Planning		14	737	1,461	1,700	1,497	1,497	1,497	1,900	–	–
Capital single-year expenditure sub-total		29,181	34,803	21,621	33,248	30,746	30,746	8,159	36,600	30,688	24,590
Total Capital Expenditure		29,181	34,803	21,621	33,248	30,746	30,746	8,159	36,600	30,688	24,590

Explanatory notes to Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

1. Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.
2. The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations. In relation to multi-year appropriations, for 2019/20 R36,600 million has been allocated of the total budget for capital expenditure and R30,688 million and R24,590 million for the 2020/21 and 2021/22 financial years respectively. The budget appropriations for the two outer years are indicative allocations based on the departmental business plans as informed by the IDP and will be reviewed on an annual basis to assess the relevance of the expenditure in relation to the strategic objectives and service delivery imperatives of the District. For the purpose of funding assessment of the MTREF.
3. The capital programme is funded from internally generated funds from current year surpluses and accumulated surpluses.

Table 15 MBRR Table A6 - Budgeted Financial Position

DC31 Nkangala - Table A6 Budgeted Financial Position											
Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
ASSETS											
Current assets											
Cash		7,046	8,751	4,723	5,128	8,226	8,226	3,605	2,390	3,015	2,856
Call investment deposits	1	458,096	449,150	426,210	367,231	371,011	371,011	477,808	336,933	262,294	229,178
Consumer debtors	1	144	119	88	164	164	164	1,038	1,142	1,256	1,382
Other debtors		25,429	12,204	6,757	7,485	7,485	7,485	5,799	8,483	7,308	9,084
Current portion of long-term receivables		–	–	–			–	–	–	–	–
Inventory	2	68,653	103,094	87,498	135,500	129,641	129,641	87,498	94,894	98,125	96,469
Total current assets		**559,368**	**573,318**	**525,276**	**515,507**	**516,526**	**516,526**	**575,748**	**443,841**	**371,998**	**338,968**
Non current assets											
Long-term receivables		–	–						–	–	–
Investments		40,862	44,846	49,219	48,967	48,967	48,967	49,219	54,018	59,419	65,361
Investment property		–	–						–	–	–
Investment in Associate		–	–						–	–	–
Property, plant and equipment	3	135,418	161,065	164,897	197,381	198,738	198,738	163,540	191,578	203,880	213,596
Biological		–	–						–	–	–
Intangible		583	491	7,380	2,009	4,009	4,009	6,450	15,470	16,901	18,341
Other non-current assets		–	–		509	509	509	–	509	509	509
Total non current assets		**176,863**	**206,402**	**221,496**	**248,865**	**252,223**	**252,223**	**219,208**	**261,575**	**280,709**	**297,807**
TOTAL ASSETS		**736,232**	**779,720**	**746,771**	**764,373**	**768,749**	**768,749**	**794,956**	**705,416**	**652,707**	**636,776**
LIABILITIES											
Current liabilities											
Bank overdraft	1			–							
Borrowing	4	3,403	3,530	3,680	3,085	3,085	3,085	1,891	2,480	820	750
Consumer deposits		14	10	12	–						
Trade and other payables	4	36,715	54,002	35,715	49,420	49,420	49,420	25,839	59,950	56,052	49,898
Provisions		739	672	573	697	697	697	573			
Total current liabilities		**40,872**	**58,213**	**39,980**	**53,202**	**53,202**	**53,202**	**28,303**	**62,430**	**56,872**	**50,648**
Non current liabilities											
Borrowing		7,713	4,628	2,808	1,543	1,543	1,543	2,480	456	1,600	1,350
Provisions		15,985	20,185	20,597	24,310	24,310	24,310	20,926	25,076	29,088	33,742
Total non current liabilities		**23,698**	**24,813**	**23,405**	**25,853**	**25,853**	**25,853**	**23,405**	**25,532**	**30,688**	**35,092**
TOTAL LIABILITIES		**64,570**	**83,026**	**63,385**	**79,054**	**79,054**	**79,054**	**51,708**	**87,962**	**87,560**	**85,740**
NET ASSETS	5	**671,662**	**696,694**	**683,386**	**685,318**	**689,695**	**689,695**	**743,248**	**617,454**	**565,147**	**551,035**
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		671,662	696,694	683,386	685,318	689,695	689,695	743,248	617,454	565,147	551,035
Reserves	4	–	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	5	**671,662**	**696,694**	**683,386**	**685,318**	**689,695**	**689,695**	**743,248**	**617,454**	**565,147**	**551,035**

Explanatory notes to Table A6 - Budgeted Financial Position

1. Table A6 is consistent with international standards of good financial management practice, and improves understandability for councillors and management of the impact of the budget on the statement of financial position (balance sheet).
2. This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as "accounting" Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.
3. Table A6 is supported by an extensive table of notes **(SA3 which can be found on page 80)** providing a detailed analysis of the major components of a number of items, including:
    - Call investments deposits;
    - Property, plant and equipment;
    - Trade and other payables;
    - Provisions non-current;
    - Changes in net assets; and
4. The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.
5. Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition the funding compliance assessment is informed directly by forecasting the statement of financial position.

Table 16 MBRR Table A7 - Budgeted Cash Flow Statement

DC31 Nkangala - Table A7 Budgeted Cash Flows											
Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates									–	–	–
Service charges									–	–	–
Other revenue		3,432	25,039	6,393	2,346	4,172	4,172	3,484	2,125	2,161	2,197
Government - operating	1	334,043	337,391	344,488	348,588	348,588	348,588	261,901	359,405	368,176	379,869
Government - capital	1	2,010	2,076	2,175	2,180	3,680	3,680	–	2,310	2,442	2,577
Interest		38,133	43,945	41,755	22,459	30,591	30,591	11,655	25,450	23,460	21,470
Dividends		–	–	–				–	–	–	–
Payments											
Suppliers and employees		(132,298)	(210,405)	(216,720)	(192,345)	(233,518)	(233,518)	(131,023)	(229,480)	(297,663)	(311,046)
Finance charges		(1,610)	(1,127)	(780)	(968)	(635)	(635)	(360)	(174)	(21)	–
Transfers and Grants	1	(177,349)	(162,301)	(176,411)	(147,154)	(166,623)	(166,623)	(62,382)	(155,421)	(135,659)	(97,060)
NET CASH FROM/(USED) OPERATING ACTIVITIES		**66,361**	**34,617**	**900**	**35,106**	**(13,745)**	**(13,745)**	**83,274**	**4,216**	**(37,103)**	**(1,993)**
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		58	282	34	–	–	–	–	–	–	–
Decrease (Increase) in non-current debtors		–	(3,984)		–	–	–	–	–	–	–
Decrease (increase) other non-current receivables		–	–		–	–	–	–	–	–	–
Decrease (increase) in non-current investments		(4,205)	–	(4,373)	(4,120)	(4,120)	(4,120)	–	(5,051)	(5,402)	(5,942)
Payments											
Capital assets		(29,181)	(34,803)	(21,621)	(33,248)	(30,746)	(30,746)	(8,159)	(36,600)	(30,688)	(24,590)
NET CASH FROM/(USED) INVESTING ACTIVITIES		**(33,329)**	**(38,505)**	**(25,959)**	**(37,368)**	**(34,866)**	**(34,866)**	**(8,159)**	**(41,651)**	**(36,090)**	**(30,532)**
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		–	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing		–	–	–	–	–	–	–	–	–	–
Increase (decrease) in consumer deposits		–	–	–	–	–	–	–	–	–	–
Payments											
Repayment of borrowing		(3,085)	(3,353)	(1,909)	(3,085)	(3,085)	(3,085)	(2,148)	(2,480)	(820)	(750)
NET CASH FROM/(USED) FINANCING ACTIVITIES		**(3,085)**	**(3,353)**	**(1,909)**	**(3,085)**	**(3,085)**	**(3,085)**	**(2,148)**	**(2,480)**	**(820)**	**(750)**
NET INCREASE/ (DECREASE) IN CASH HELD		**29,947**	**(7,241)**	**(26,968)**	**(5,347)**	**(51,696)**	**(51,696)**	**72,968**	**(39,915)**	**(74,013)**	**(33,275)**
Cash/cash equivalents at the year begin:	2	**435,195**	**465,142**	457,901	377,706	**430,933**	**430,933**	**408,446**	**379,237**	**339,322**	**265,309**
Cash/cash equivalents at the year end:	2	**465,142**	**457,901**	430,933	**372,359**	**379,237**	**379,237**	**481,413**	**339,322**	**265,309**	**232,034**

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.

2. It shows the expected level of cash-in flows versus cash-outflow that is likely to result from the implementation of the budget.

3. It can be seen that the cash levels of the District decreased from R379,237 million in 2019/20 to R339,322 million and decrease to R265,309 in 2020/21 period and to R232,034 million in 2021/22 financial years.

4. The approved 2019/20 MTREF provide for a further net decrease in cash of R51,696 million for the 2019/20 financial year resulting in an overall projected positive cash position of R379,237 million at year end.

5. Cash and cash equivalents totals R339,322 million as at the end of the 2019/20 financial year and decreases to R232,034 million by 2021/22.Table 17 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

Table 17 MBRR Table A8 – Cash Backed Reserves/Accumulated Surplus Reconciliation

DC31 Nkangala - Table A8 Cash backed reserves/accumulated surplus reconciliation											
Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Cash and investments available											
Cash/cash equivalents at the year end	1	465,142	457,901	430,933	372,359	379,237	379,237	481,413	339,322	265,309	232,034
Other current investments > 90 days		(0)	0	0	(0)	(0)	(0)	0	0	0	0
Non current assets - Investments	1	40,862	44,846	49,219	48,967	48,967	48,967	49,219	54,018	59,419	65,361
Cash and investments available:		**506,005**	**502,748**	**480,152**	**421,325**	**428,204**	**428,204**	**530,632**	**393,340**	**324,729**	**297,396**
Application of cash and investments											
Unspent conditional transfers		–	–	–	–	–	–	–	–	–	–
Unspent borrowing		–	–	–	–	–	–		–	–	–
Statutory requirements	2										
Other working capital requirements	3	11,312	(14,139)	20,824	41,772	41,772	41,772	19,002	50,325	47,488	39,433
Other provisions											
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5										
Total Application of cash and investments:		**11,312**	**(14,139)**	**20,824**	**41,772**	**41,772**	**41,772**	**19,002**	**50,325**	**47,488**	**39,433**
Surplus(shortfall)		**494,692**	**516,887**	**459,328**	**379,553**	**386,432**	**386,432**	**511,631**	**343,015**	**277,240**	**257,963**

Explanatory notes to Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
2. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
3. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded".
4. Non-compliance with section 18 of the MFMA is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded.
5. From the table it can be seen that for the period 2019/20 to 2021/22 the surplus stabilises to R257,963 million.
6. Considering the requirements of section 18 of the MFMA, it can be concluded that the adopted 2019/20 MTREF was sufficiently funded.
7. As part of the budgeting and planning guidelines that informed the compilation of the 2019/20 MTREF the end objective of the medium-term framework was to ensure the budget is funded aligned to section 18 of the MFMA.

Table 18 MBRR Table A9 - Asset Management

DC31 Nkangala - Table A9 Asset Management										
Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
CAPITAL EXPENDITURE										
Total New Assets	1	29,181	34,803	21,621	33,248	30,746	30,746	36,600	30,688	24,590
Roads Infrastructure		186	–	–	–	–	–	–	–	–
Electrical Infrastructure		996	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	300	300	7,100	6,600	7,000
Infrastructure		*1,182*	–	–	–	*300*	*300*	*7,100*	*6,600*	*7,000*
Community Facilities		–	27,296	2,286	9,000	2,500	2,500	2,560	3,560	60
Sport and Recreation Facilities		–	–	–	–	–	–	–	–	–
Community Assets		–	*27,296*	*2,286*	*9,000*	*2,500*	*2,500*	*2,560*	*3,560*	*60*
Heritage Assets		–	509	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Operational Buildings		8,324	–	3,939	12,400	9,947	9,947	13,000	11,750	12,450
Housing		–	–	–	–	–	–	–	–	–
Other Assets		*8,324*	–	*3,939*	*12,400*	*9,947*	*9,947*	*13,000*	*11,750*	*12,450*
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Licences and Rights		265	–	1,000	1,850	3,850	3,850	7,000	3,000	3,000
Intangible Assets		*265*	–	*1,000*	*1,850*	*3,850*	*3,850*	*7,000*	*3,000*	*3,000*
Computer Equipment		491	762	7,578	2,800	2,873	2,873	1,500	2,500	2,000
Furniture and Office Equipment		7,030	1,022	2,748	1,398	1,479	1,479	1,490	1,463	80
Machinery and Equipment		3,419	877	925	4,100	3,426	3,426	850	1,815	–
Transport Assets		8,471	4,338	3,144	1,700	4,872	4,872	3,100	–	–
Land		–	–	–	–	1,500	1,500	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Total Capital Expenditure	4	29,181	34,803	21,621	33,248	30,746	30,746	36,600	30,688	24,590
Roads Infrastructure		186	–	–	–	–	–	–	–	–
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		996	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	300	300	7,100	6,600	7,000
Infrastructure		*1,182*	–	–	–	*300*	*300*	*7,100*	*6,600*	*7,000*
Community Facilities		–	27,296	2,286	9,000	2,500	2,500	2,560	3,560	60
Sport and Recreation Facilities		–	–	–	–	–	–	–	–	–
Community Assets		–	*27,296*	*2,286*	*9,000*	*2,500*	*2,500*	*2,560*	*3,560*	*60*
Heritage Assets		–	509	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Operational Buildings		8,324	–	3,939	12,400	9,947	9,947	13,000	11,750	12,450
Housing		–	–	–	–	–	–	–	–	–
Other Assets		*8,324*	–	*3,939*	*12,400*	*9,947*	*9,947*	*13,000*	*11,750*	*12,450*
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		265	–	1,000	1,850	3,850	3,850	7,000	3,000	3,000
Intangible Assets		*265*	–	*1,000*	*1,850*	*3,850*	*3,850*	*7,000*	*3,000*	*3,000*
Computer Equipment		491	762	7,578	2,800	2,873	2,873	1,500	2,500	2,000
Furniture and Office Equipment		7,030	1,022	2,748	1,398	1,479	1,479	1,490	1,463	80
Machinery and Equipment		3,419	877	925	4,100	3,426	3,426	850	1,815	–
Transport Assets		8,471	4,338	3,144	1,700	4,872	4,872	3,100	–	–
Land		–	–	–	–	1,500	1,500	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
TOTAL CAPITAL EXPENDITURE - Asset class		29,181	34,803	21,621	33,248	30,746	30,746	36,600	30,688	24,590
ASSET REGISTER SUMMARY - PPE (WDV)	5	136,001	161,065	164,388	199,899	203,256	203,256	207,558	223,298	234,963
Roads Infrastructure		1,917	1,635	1,755	1,269	1,269	1,269	1,476	1,406	1,385
Storm water Infrastructure		–		5,107				4,269	3,881	3,650
Electrical Infrastructure		1,296	1,215	4,034	1,054	1,054	1,054	3,582	3,356	3,129
Water Supply Infrastructure				67	250	250	250	560	557	554
Sanitation Infrastructure				56				51	48	45
Information and Communication Infrastructure								6,919	13,358	19,296
Infrastructure		*3,213*	*2,850*	*11,020*	*2,573*	*2,573*	*2,573*	*16,857*	*22,605*	*28,059*
Community Assets		–	–	–	10,929	10,929	10,929	50,230	52,094	51,357
Heritage Assets		–	509	–	509	509	509	509	509	509
Investment properties		132,205	114,512	86,317	126,382	126,382	126,382			
Other Assets		583	491	1,601	3,249	3,249	3,249	55,319	63,139	71,659
Biological or Cultivated Assets		–	–	–	–	–	–			
Intangible Assets		–	–	–	–	–	–	15,469	16,900	18,341
Computer Equipment		–	3,162	4,146	12,106	12,799	12,799	4,903	6,680	8,031
Furniture and Office Equipment		–	4,828	5,545	6,607	6,646	6,646	11,039	13,157	14,318
Machinery and Equipment		–	6,797	28,492	12,384	15,010	15,010	24,972	23,422	20,570
Transport Assets		–	27,916	26,253	25,161	25,161	25,161	25,745	22,278	19,605
Land		–	–	1,015	–	–	–	2,515	2,515	2,515
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–			
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	136,001	161,065	164,388	199,899	203,256	203,256	207,558	223,298	234,963

DC31 Nkangala - Table A9 Asset Management										
Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
EXPENDITURE OTHER ITEMS		16,287	14,453	23,679	30,940	39,287	39,287	39,910	36,731	34,773
Depreciation	7	9,566	9,609	10,573	9,380	15,526	15,526	16,139	14,948	12,925
Repairs and Maintenance by Asset Class	3	6,721	4,844	13,106	21,560	23,762	23,762	23,771	21,783	21,848
Sanitation Infrastructure		–	–	–	–	1,828	1,828	1,500	–	–
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	2,849	–	500	500	500	300	–
Infrastructure		–	–	***2,849***	–	***2,328***	***2,328***	***2,000***	***300***	–
Operational Buildings		6,721	2,779	2,870	6,963	4,438	4,438	4,491	4,165	4,600
Housing		–	–	–	–	–	–	–	–	–
Other Assets		***6,721***	***2,779***	***2,870***	***6,963***	***4,438***	***4,438***	***4,491***	***4,165***	***4,600***
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	4,447	6,515	7,325	7,325	8,397	8,641	9,709
Intangible Assets		–	–	***4,447***	***6,515***	***7,325***	***7,325***	***8,397***	***8,641***	***9,709***
Computer Equipment		–	237	44	–	–	–	4,697	4,948	4,950
Furniture and Office Equipment		–	144	150	530	530	530	595	666	678
Machinery and Equipment		–	1,007	1,004	6,110	7,289	7,289	1,636	1,582	1,720
Transport Assets		–	676	1,743	1,441	1,851	1,851	1,954	1,482	190
Land		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
TOTAL EXPENDITURE OTHER ITEMS		16,287	14,453	23,679	30,940	39,287	39,287	39,910	36,731	34,773
Renewal and upgrading of Existing Assets as % of total capex		*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*
Renewal and upgrading of Existing Assets as % of deprecn		*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*
R&M as a % of PPE		*5.0%*	*3.0%*	*7.9%*	*10.9%*	*12.0%*	*12.0%*	*12.4%*	*10.7%*	*10.2%*
Renewal and upgrading and R&M as a % of PPE		*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*

Explanatory notes to Table A9 - Asset Management

1. Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.
2. National Treasury has recommended that municipalities should allocate at least 40 per cent of their capital budget to the renewal of existing assets, and allocations to repairs and maintenance should be 4 - 8 per cent of PPE. The District does not meet the criteria in terms of renewal of assets as the District moved into new office buildings in 2006. In terms of the repairs and maintenance, 12.4%, 10.7% and 10.2% is allocated over the MTREF.

Part 2 – Supporting Documentation

2.1 Overview of the annual budget process

Section 53 of the MFMA requires the Mayor of the municipality to provide general political guidance in the budget process and the setting of priorities that must guide the preparation of the budget. In addition Chapter 2 of the Municipal Budget and Reporting Regulations states that the Mayor of the municipality must establish a Budget Steering Committee to provide technical assistance to the Mayor in discharging the responsibilities set out in section 53 of the Act.

The Budget Steering Committee consists of the MMC for Finance, MMC for Technical Services, Municipal Manager and senior officials of the municipality meeting under the chairpersonship of the Executive Mayor.

The primary aims of the Budget Steering Committee are to ensure:

- that the process followed to compile the budget complies with legislation and good budget practices;
- that there is proper alignment between the policy and service delivery priorities set out in the District's IDP and the budget, taking into account the need to protect the financial sustainability of municipality;
- that the municipality's revenue strategies ensure that the cash resources needed to deliver services are available; and
- that the various spending priorities of the different municipal departments are properly evaluated and prioritised in the allocation of resources.

2.1.1 Budget Process Overview

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year a time schedule that sets out the process to revise the IDP and prepare the budget.

The Mayor tabled in Council the required the IDP and budget time schedule on 30 May 2018. Key dates applicable to the process were:

August 2018–Joint strategic planning session of the Mayoral Committee and Executive Management. Aim: to review past performance trends of the capital and operating budgets, the economic realities and to set the prioritisation criteria for the compilation of the 2019/20 MTREF;

- **23 August 2018 –** Council adopted a roll-over budget for 2018/19.
- **January and February 2019**–Detail departmental budget proposals (capital and operating) submitted to the Budget and Treasury Office for consolidation and assessment against the financial planning guidelines;
- **6 to 12 February 2019** - Review of the financial strategy and key economic and financial planning assumptions by the Budget Steering Committee. This included financial forecasting and scenario considerations;
- **24 January 2019** - Council considered the 2018/19 Mid-year Review;
- **27 February 2019** - Council considers the 2018/19 Adjustments Budget;

- **4 March 2019** - Recommendations of the Mayoral Committee are communicated to the Budget Steering Committee, and on to the respective departments. The draft 2019/20 MTREF is revised accordingly;
- **27 March 2019** - Tabling in Council of the draft 2019/20 IDP and 2019/20 MTREF to Mayoral committee;
- **29 March 2019** - publication of the draft 2019/20 IDP and 2019/20 MTREF for public consultation;
- **4 - 5 Apr 2019** – IDP and Budget Indaba;
- **20 April 2019** - Closing date for written comments;
- **14 to 22 April 2019**–finalisation of the 2019/20 IDP and 2019/20 MTREF, taking into consideration comments received from the public, comments from National Treasury, and updated information from the most recent Division of Revenue Bill and financial framework; and
- **25 April 2019** – Budget stakeholder report back meeting
- **22 May 2019 –** Submission of final 2019/20 MTREF to Mayoral Committee for adoption
- **29 May 2019 -** Submission of the final 2019/20 MTREF before Council for consideration and approval.

2.1.2 IDP and Service Delivery and Budget Implementation Plan

Council is going to adopt a new IDP for 2019/20 to 2023/24. The IDP will be submitted to Council for approval on the 27th of March 2019.

The District's IDP is its principal strategic planning instrument, which directly guides and informs its planning, budget, management and development actions. This framework is rolled out into objectives, key performance indicators and targets for implementation which directly inform the Service Delivery and Budget Implementation Plan. The Process Plan applicable to the fourth revision cycle included the following key IDP processes and deliverables:

- Registration of community needs;
- Compilation of departmental business plans including key performance indicators and targets;
- Financial planning and budgeting process;
- Public participation process;
- Compilation of the SDBIP, and
- The review of the performance management and monitoring processes.

The IDP has been taken into a business and financial planning process leading up to the 2019/20 MTREF, based on the approved 2018/19 MTREF, Mid-year Review and adjustments budget and the annual report for 2018/19. The business planning process has subsequently been refined in the light of current economic circumstances and the resulting revenue projections.

With the compilation of the 2019/20 MTREF, each department/function had to review the business planning process, including the setting of priorities and targets after reviewing the mid-year and third quarter performance against the 2018/19 Departmental Service Delivery and Budget Implementation Plan. Business planning links back to priority needs and master planning, and essentially informed the detail operating budget appropriations and three-year capital programme.

2.1.3 Financial Modelling and Key Planning Drivers

As part of the compilation of the 2019/20 MTREF, extensive financial modelling was undertaken to ensure affordability and long-term financial sustainability. The following key factors and planning strategies have informed the compilation of the 2019/20 MTREF:

- District growth
- Policy priorities and strategic objectives
- Asset maintenance
- Economic climate and trends (i.e. inflation, household debt, migration patterns)
- Performance trends
- Any challenges in the identified in the 2017/18 annual report
- The approved 2018/19 adjustments budget and performance against the SDBIP
- Cash Flow Management Strategy
- Debtor payment levels
- Investment possibilities
- Improved and sustainable service delivery

In addition to the above, the strategic guidance given in National Treasury's MFMA Circulars 51, 54, 55, 58, 66, 67, 70, 72, 74, 75, 78, 85, 86, 93 & 94 has been taken into consideration in the planning and prioritisation process.

2.1.4 Community Consultation

The draft 2019/20 MTREF as tabled before Council on 27 March 2019 for community consultation will be published on the municipality's website, and hard copies will be made available at customer care offices, municipal notice boards and various libraries.

All documents in the appropriate format (electronic and printed) will be provided to National Treasury, and other national and provincial departments in accordance with section 23 of the MFMA, to provide an opportunity for them to make inputs.

Local Municipalities were utilised to facilitate the community consultation process from January to March 2019, and included six public briefing sessions and the IDP and Budget Indaba on the 4 - 5 April 2019. The applicable dates and venues was published in all the local newspapers and on average attendance amounted 50 to 100 per meeting. This is up on the previous year's process. This can be attributed to the additional initiatives that were launched during the consultation process, including the specific targeting of ratepayer associations. Individual sessions were scheduled with organised business and Imbizo's were held to further ensure transparency and interaction. Other stakeholders involved in the consultation included churches, non-governmental institutions and community-based organisations.

Submissions received during the community consultation process and additional information regarding revenue and expenditure and individual capital projects will be addressed, and where relevant considered as part of the finalisation of the 2019/20 MTREF. Feedback and responses to the submissions received are available on request. The following are some of the issues and concerns raised as well as comments received during the consultation process:

- Capital expenditure is not allocated to the areas in the same ratio as the income derived from those areas. This is a normal practice in a collective taxation environment. The District is responsible for managing the equitable use of resources to ensure that constitutional imperative to progressively improve basic services in undeveloped areas is realized in a sustainable manner over a reasonable period of time;
- Several complaints were received regarding poor service delivery, especially the state of road infrastructure and slow implementation of projects in local municipalities;
- Poor performance of contractors relating to infrastructure development and maintenance especially in the areas of road construction and maintenance were raised;
- Environmental problems of the mines and climate change;
- High levels of poverty and unemployment, which indicate there is a need for skills training.
- The district needs to promote the cargo project in Victor Khanye.
- High percentage of rollovers

2.2 Overview of alignment of annual budget with IDP

The Constitution mandates local government with the responsibility to exercise local developmental and cooperative governance. The eradication of imbalances in South African society can only be realized through a credible integrated developmental planning process.

Municipalities in South Africa need to utilise integrated development planning as a method to plan future development in their areas and so find the best solutions to achieve sound long-term development goals. A municipal IDP provides a five year strategic programme of action aimed at setting short, medium and long term strategic and budget priorities to create a development platform, which correlates with the term of office of the political incumbents. The plan aligns the resources and the capacity of a municipality to its overall development aims and guides the municipal budget. An IDP is therefore a key instrument which municipalities use to provide vision, leadership and direction to all those that have a role to play in the development of a municipal area. The IDP enables municipalities to make the best use of scarce resources and speed up service delivery.

Integrated developmental planning in the South African context is amongst others, an approach to planning aimed at involving the municipality and the community to jointly find the best solutions towards sustainable development. Furthermore, integrated development planning provides a strategic environment for managing and guiding all planning, development and decision making in the municipality.

It is important that the IDP developed by municipalities correlate with National and Provincial intent. It must aim to co-ordinate the work of local and other spheres of government in a coherent plan to improve the quality of life for all the people living in that area. Applied to the District, issues of national and provincial importance should be reflected in the IDP of the municipality. A clear understanding of such intent is therefore imperative to ensure that the District strategically complies with the key national and provincial priorities.

The aim of this revision cycle was to develop and coordinate a coherent plan to improve the quality of life for all the people living in the area, also reflecting issues of national and provincial importance. One of the key objectives is therefore to ensure that there exists alignment between national and provincial priorities, policies and strategies and the District's response to these requirements.

The national and provincial priorities, policies and strategies of importance include amongst others:

- Green Paper on National Strategic Planning of 2009;
- Government Programme of Action;
- Development Facilitation Act of 1995;
- Provincial Growth and Development Strategy (GGDS);
- National and Provincial spatial development perspectives;
- Relevant sector plans such as transportation, legislation and policy;
- National Key Performance Indicators (NKPIs);
- Accelerated and Shared Growth Initiative (ASGISA);
- National 2014 Vision;
- National Spatial Development Perspective (NSDP);
- The National Priority Outcomes and
- The National Development Plan.

The Constitution requires local government to relate its management, budgeting and planning functions to its objectives. This gives a clear indication of the intended purposes of municipal integrated development planning. Legislation stipulates clearly that a municipality must not only give effect to its IDP, but must also conduct its affairs in a manner which is consistent with its IDP. The following table highlights the IDP's six strategic objectives for the 2019/20 MTREF and further planning refinements that have directly informed the compilation of the budget:

IDP Strategic Objectives

- Local Economic Development
- Infrastructure Development and Service Delivery
- Institutional Development and Municipal Transformation
- Good Governance and Public Participation
- Build more united, non-racial, integrated and safer communities;
- Financial Viability
- Ensure more effective, accountable and clean Local Government that works together with National and Provincial Spheres of Government.

In order to ensure integrated and focused service delivery between all spheres of government it was important for the District to align its budget priorities with that of national and provincial government. All spheres of government place a high priority on infrastructure development, economic development and job creation, efficient service delivery, poverty alleviation and building sound institutional arrangements.

Local priorities were identified as part of the IDP review process which is directly aligned to that of the national and provincial priorities. The key performance areas can be summarised as follows against the five strategic objectives:

1. Provision of quality basic services and infrastructure which includes, amongst others:
    - Provide electricity;
    - Provide water;
    - Provide sanitation;
    - Provide waste removal;
    - Provide housing;
    - Provide roads and storm water;

- Provide public transport;
- Provide district planning services; and
- Maintaining the infrastructure of the District.

2. Economic growth and development that leads to sustainable job creation by:
   - Ensuring the is a clear structural plan for the District;
   - Ensuring planning processes function in accordance with set timeframes;
   - Facilitating the use of labour intensive approaches in the delivery of services and the building of infrastructure.

3.1 Fight poverty and build clean, healthy, safe and sustainable communities:
   - Working with strategic partners such as SAPS to address crime;
   - Ensuring save working environments
   - Promote viable, sustainable communities through proper zoning; and
   - Promote environmental sustainability by protecting wetlands and key open spaces.
   - Implementing initiatives to reduce the effect of climate change.

3.2 Integrated Social Services for empowered and sustainable communities
   - Work with provincial departments to ensure the development of community infrastructure such as schools and clinics is properly coordinated with the informal settlements upgrade programme

4. Foster participatory democracy and Batho Pele principles through a caring, accessible and accountable service by:
   - Optimising effective community participation in the ward committee system; and
   - Implementing Batho Pele in the revenue management strategy.

5.1 Promote sound governance through:
   - Publishing the outcomes of all tender processes on the municipal website

5.2 Ensure financial sustainability through:
   - Reviewing the use of contracted services
   - Continuing to implement the infrastructure renewal strategy and the repairs and maintenance plan

5.3 Optimal institutional transformation to ensure capacity to achieve set objectives
   - Review of the organizational structure to optimize the use of personnel;

In line with the MSA, the IDP constitutes a single, inclusive strategic plan for the District. The five-year programme responds to the development challenges and opportunities faced by the District by identifying the key performance areas to achieve the five the strategic objectives mentioned above.

Lessons learned with previous IDP revision and planning cycles as well as changing environments were taken into consideration in the compilation of the IDP, including:

- Strengthening the analysis and strategic planning processes of the District;
- Ensuring better coordination through a programmatic approach and attempting to focus the budgeting process through planning interventions; and
- Strengthening performance management and monitoring systems in ensuring the objectives and deliverables are achieved.

- Multi-year budgeting remains a priority

The 2019/20 MTREF has therefore been directly informed by the IDP revision process and the following tables provide a reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.

Table 19 MBRR Table SA4 - Reconciliation between the IDP strategic objectives and budgeted revenue

DC31 Nkangala - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

Strategic Objective	Goal	Goal Code	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Institutional Development and Transformation	Competent Innovative and Accountable Team	KPA 1		5	(13)	(7)						
Good Governance and Public Participation	Sound Electronic Governance	KPA 2		2	11	1	11	12	12	–	–	–
Local Economic Development	Inclusive Economic Growth with Sustainable Development	KPA 3		18	2 308	4 182	3 626	3 626	3 626	2 131	–	–
Financial Viability and Financial Management	Sound Financial Management	KPA 4		381 665	385 290	385 934	370 417	379 694	379 694	385 849	394 859	404 663
Basic Service Delivery and Infrastructure	Healthy Social Environment	KPA 5		72	235	1 278	1 520	3 700	3 700	1 310	1 380	1 450
	Sustainable Infrastructure and Service Provisioning	KPA 5		2	(3)					–	–	–
Spatial Rationale	Integrated regionalised planning	KPA 6										
Allocations to other priorities			2									
Total Revenue (excluding capital transfers and contributions)			1	381 765	387 828	391 388	375 573	387 031	387 031	389 290	396 239	406 113

Table 20 MBRR Table SA5 - Reconciliation between the IDP strategic objectives and budgeted operating expenditure

DC31 Nkangala - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

Strategic Objective	Goal	Goal Code	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Institutional Development and Transformation	Competent Innovative and Accountable Team	KPA 1		34,399	30,347	28,253	33,226	33,857	33,857	33,129	35,129	36,935
Good Governance and Public Participation	Sound Electronic Governance	KPA 2		51,395	59,079	76,347	100,791	103,843	103,843	120,765	120,122	120,417
Local Economic Development	Inclusive Economic Growth with Sustainable Development	KPA 3		29,572	24,036	23,525	25,931	29,520	29,520	22,416	18,661	28,182
Financial Viability and Financial Management	Sound Financial Management	KPA 4		42,713	37,454	27,055	31,652	31,261	31,261	32,140	33,214	34,198
Basic Service Delivery and Infrastructure	Healthy Social Environment	KPA 5		57,055	73,052	86,931	98,227	104,325	104,325	109,920	112,735	113,130
	Sustainable Infrastructure and Service Provisioning	KPA 5		117,935	116,191	143,659	129,736	126,356	126,356	126,100	113,634	73,483
Spatial Rationale	Integrated regionalised planning	KPA 6		23,778	23,836	16,220	25,660	23,143	23,143	16,660	15,052	13,879
Allocations to other priorities												
Total Expenditure			1	356,846	363,996	401,989	445,224	452,305	452,305	461,131	448,547	420,224

Table 21 MBRR Table SA6 - Reconciliation between the IDP strategic objectives and budgeted capital expenditure

DC31 Nkangala - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)												
Strategic Objective	Goal	Goal Code	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Institutional Development and Transformation	Competent Innovative and Accountable Team	KPA 1		2,363	2,989	5,244	10,910	12,211	12,211	10,120	17,953	11,450
Good Governance and Public Participation	Sound Electronic Governance	KPA 2		11,014	–	8,702	4,650	4,696	4,696	24,510	12,660	13,060
Local Economic Development	Inclusive Economic Growth with Sustainable Development	KPA 3		178	5	–	–	–	–	–	–	–
Financial Viability and Financial Management	Sound Financial Management	KPA 4		330	27,303	137	60	60	60	70	75	80
Basic Service Delivery and Infrastructure	Healthy Social Environment	KPA 5		15,281	3,770	6,077	15,928	12,282	12,282	–	–	–
	Sustainable Infrastructure and Service Provisioning	KPA 5		14	737	1,461	1,700	1,497	1,497	1,900	–	–
Spatial Rationale	Integrated regionalised planning	KPA 6		–	–	–	–	–	–			
Allocations to other priorities			3									
Total Capital Expenditure			1	29,181	34,803	21,621	33,248	30,746	30,746	36,600	30,688	24,590

2.3 Measurable performance objectives and indicators

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities. In accordance with legislative requirements and good business practices as informed by the National Framework for Managing Programme Performance Information, the District has developed and implemented a performance management system of which system is constantly refined as the integrated planning process unfolds. The Municipality targets, monitors, assesses and reviews organisational performance which in turn is directly linked to individual employee's performance.

At any given time within government, information from multiple years is being considered; plans and budgets for next year; implementation for the current year; and reporting on last year's performance. Although performance information is reported publicly during the last stage, the performance information process begins when policies are being developed, and continues through each of the planning, budgeting, implementation and reporting stages. The planning, budgeting and reporting cycle can be graphically illustrated as follows:

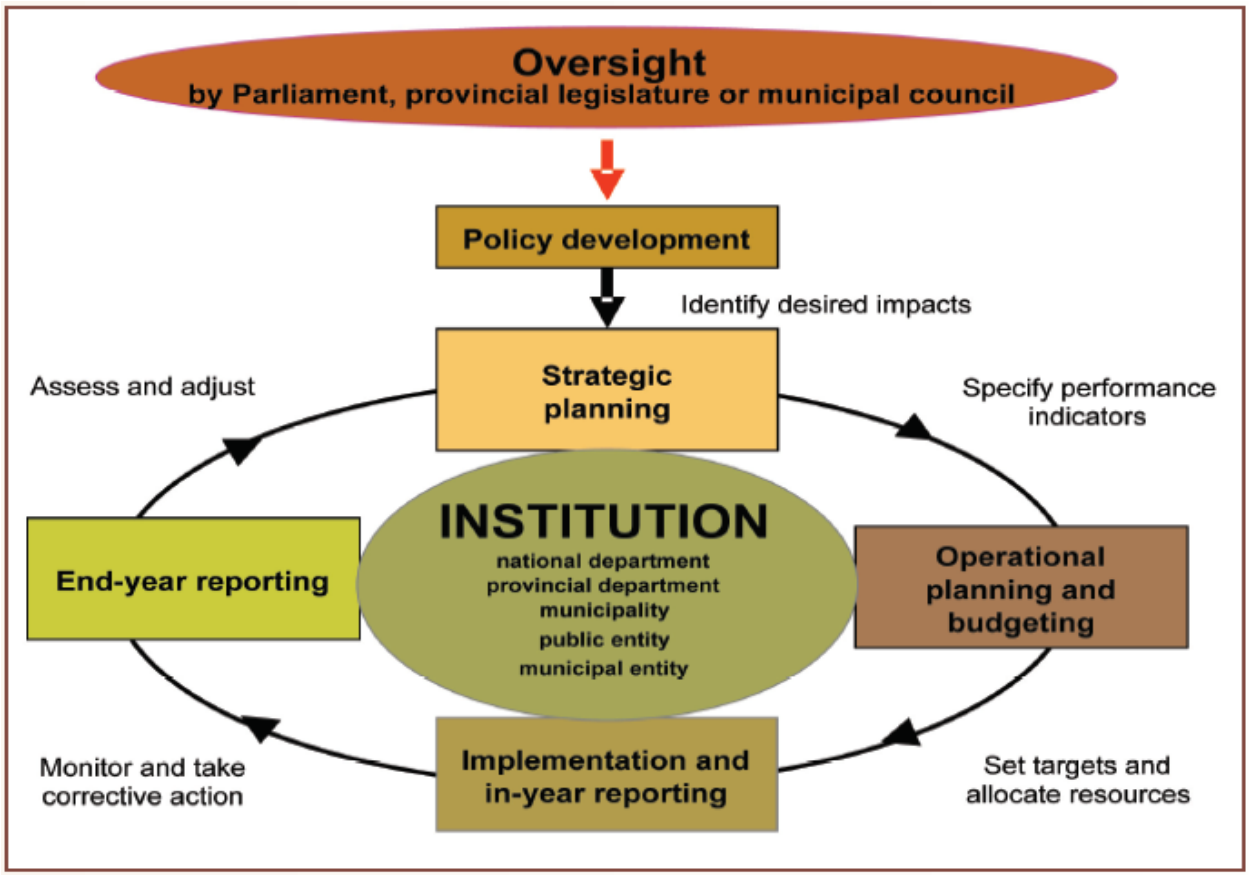


Figure 3 Planning, budgeting and reporting cycle

The performance of the District relates directly to the extent to which it has achieved success in realising its goals and objectives, complied with legislative requirements and meeting stakeholder

expectations. The District therefore has adopted one integrated performance management system which encompasses:

- Planning (setting goals, objectives, targets and benchmarks);
- Monitoring (regular monitoring and checking on the progress against plan);
- Measurement (indicators of success);
- Review (identifying areas requiring change and improvement);
- Reporting (what information, to whom, from whom, how often and for what purpose); and
- Improvement (making changes where necessary).

The performance information concepts used by the District in its integrated performance management system are aligned to the ***Framework of Managing Programme Performance Information*** issued by the National Treasury:

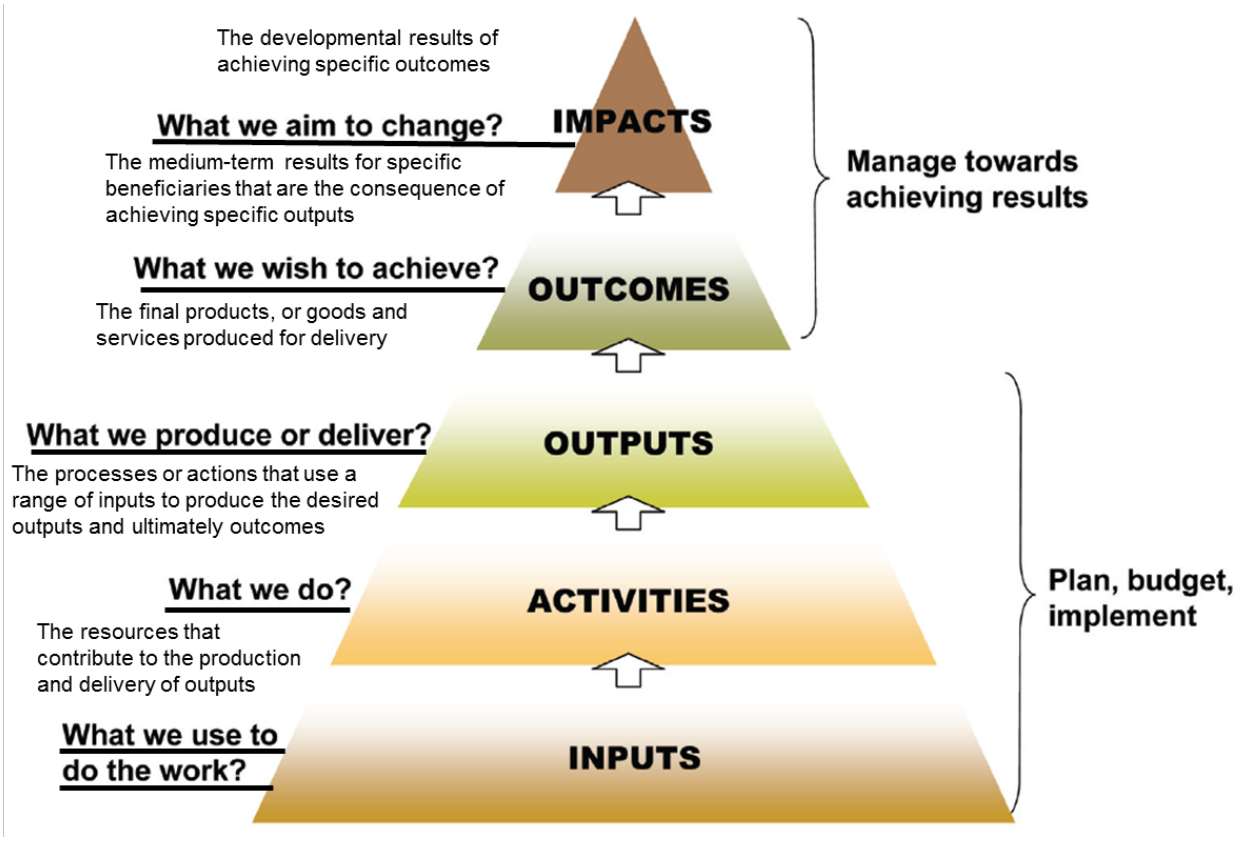

The developmental results of achieving specific outcomes
What we aim to change?
IMPACTS
The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs
What we wish to achieve?
OUTCOMES
The final products, or goods and services produced for delivery
Manage towards achieving results
What we produce or deliver?
OUTPUTS
The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes
What we do?
ACTIVITIES
The resources that contribute to the production and delivery of outputs
What we use to do the work?
INPUTS
Plan, budget, implement

Figure 4 Definition of performance information concepts

The following table provides the main measurable performance objectives the municipality undertakes to achieve this financial year.

Table 22 MBRR Table SA7 - Measurable performance objectives (replaced with QUARTERLY PROJECTIONS OF SERVICE DELIVERY TARGETS AND PERFORMANCE INDICATORS AS PER APPROVED SDBIP)

DC31 Nkangala - Supporting Table SA7 Measureable performance objectives

Description	Unit of measurement	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Office of the Municipal manager										
Function 1 - Organisational Restructuring and Transformation										
Sub-function 1 - Performance Management										
# of quarterly performance report submmitted to Council by 30 June	Number	4	4	4	4	4	4	4	4	4
Function 2 - Governance										
Sub-function 1 - Audit										
% of MPAC recommendation resolved per quarter	Percentage	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
% achievement to resolve issues raised on the Audit Action Plan per quarter	Percentage	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Maintain Auditor General Opinion - Clean Audit in respect of the Annual Report	Number	1	1	1	1	1	100.0%	100.0%	100.0%	100.0%
% of AG Management Letter findings resolved by quarter (Total organization)	Percentage	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Sub-function 2 - Risk Management										
% of future action plans resolved to address fraud and corruption risk Identified per quarter	Percentage	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
% of future action plans resolved to address fraud and corruption risk Identified per quarter	Percentage	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Function 3 - IDP and BUDGET										
Sub-function 1 - IDP										
Final IDP and Budget tabled and approved by Council by the 31st May	Number	1	1	1	1	1	1	1	1	1
Vote 2 - Corporate Services										
Function 1 - Organisational Restructuring and Transformation										
Sub-function 1 - Human Resources										
% approved vacant positions (previously filled) processed within (3) months of post vacancy	Percentage		100.0%	100.0%	100.0%	95.0%	95.0%	95.0%	95.0%	95.0%
Sub-function 2 - Training and Development										
% of budget spent implementing the Workplace Skills Plan (GKPI) by 30 June	Percentage	100.0%	100.0%	100.0%	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%
Vote 3 - Finance										
Function 1 - Financial Viability										
Sub-function 1 - Financial Management										
Cost coverage ratio (GKPI) by 30 June	Ratio	NA	NA	NA	8.9%	8.9%	8.9%	8.9%	8.9%	8.9%
Sub-function 2 - Budgeting										
Submission for approval of MTREF Budget by the 31st May	Number	1	1	1	1	1	1	1	1	1
Sub-function 3 - Financial Reporting										
Annual Financial Statements (AFS) submitted on or before the 31st August	Number	1	1	1	1	1	1	1	1	1
# of quarterly section 52(d) MFMA reports submitted to Executive Mayor within legislative timeframes	Number	4	4	4	4	4	4	4	4	4
Section 72 (midyear) MFMA reports submitted to Executive Mayor within legislative timeframes	Number	1	1	1	1	1	1	1	1	1
Percentage of Capital Budget actually spent on Capital projects (infrastructure projects) for financial year in terms of IDP by 30 June 2019 (own funding) per quarter	Number	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
# of section 71 MFMA reports submitted to Executive Mayor within legislative timeframes per month	Number	12	12	12	12	12	12	12	12	12
Function 2 - SCM										
Sub-function 1 - SCM										
# of SCM deviation reports submitted to the MM per month (Total Administration)	Number	12	12	12	12	12	12	12	12	12
Vote 4 - Development Planning										
Function 1 - Human Settlements										
Sub-function 1 - Human Settlements										
# of informal settlements formalised by 30th June	Number			5	5	5	5	5	1	5
# of formal townships established by 30th June	Number		6	5	5	5	5	4	4	5
Function 2 - Land Administration										
Sub-function 1 - GIS										
# of projects implemented from the GIS Strategy by 30th June	Number		2	1	1	1	1	1	1	1
Sub-function 2 - Land Management										
# of projects implemented based on SPLUMA by 30th June	Number		3	2	2	2	2	1	2	3

DC31 Nkangala - Supporting Table SA7 Measureable performance objectives

Description	Unit of measurement	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Vote 5 - Technical Services										
Function 1 - Service Delivery										
Sub-function 1 - Water and Sanitation										
Number of Sanitation projects (as submitted by the LM,s) completed by 30 June	Number		7	7	10	10	10	2	2	2
Number of Water projects (as submitted by the LM's) completed by 30 June	Number		20	13	12	12	12	4	3	3
Sub-function 2 - Social and Recreation facilities										
Number of Number of SOCIAL AND RECREATIONAL FACILITIES projects (as submitted by the LM's) completed by 30 June	Number		5	3	3	3	3	0	0	0
Sub-function 3 - Project Management										
Number of MUNICIPAL PROPERTIES AND INFRASTRUCTURE projects completed by 30 June	Number		5	2	2	2	2	2	1	1
Sub-function 4 - Road and Stormwater									%	
Number of Road and Stormwater projects (as submitted by the LM's) completed by 30 June	number		15	8	25	25	25	16	13	13
Sub-function 5 - Electricity										
Number of Electricity projects (as submitted by the LM's) completed by 30 June	number		2	1	0	0	0	1	0	0
Vote 6 - Local Economic Delivery										
Function 1 - Economic Development and Job Creation										
Sub-function 1 - Economic Development										
Hosting of Investment Summit to market Anchor Projects / Catalytic by 30 June 2017	Number		1	1	1	1	1	1	1	1
Sub-function 2 - Job Creation										
# of EPWP Full Time Equivalent (FTE's) job opportunities provided through the implementation of LED and Capital projects (GKPI) per quarter	Number		677 WO & 556.98 FTEs	361 WO & 192,01 FTEs	510 WO & 175 FTEs	511 WO & 175 FTEs	512 WO & 175 FTEs	520 WO & 180 FTEs	540 WO & 200 FTEs	541 WO & 200 FTEs
Vote 7 - Social Services										
Function 1 - Health										
Sub-function 1 - HIV/AIDs										
# of HIV/AID's educational awareness campaigns implemented to capacitate and build communities per quarter	Number		15	18	15	15	15	18	20	22
% of water samples taken per month that do not comply to SANS 241 and that are formally reported to the LM's to implement corrective action per quarter	Percentage		100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Function 2 - Environmental Management										
Sub-function 1 - Air Pollution										
% of atmospheric emission license applications finalised as compared to application received as per NEM Air Quality Act, 2004 by 30 june	Percentage		100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Function 3 - Youth										
Sub-function 1 - Youth Development										
Annual Youth Summit convened by 30th June	Number		1	1	1	1	1	1	1	1
Function 4 - Disaster Management										
Sub-function 1 - Disaster Education										
# of Disaster Emergency Open Day Hosted with local Municipalitiees by June 2017	Number		2	2	2	2	2	2	2	2

The following table sets out the municipalities main performance objectives and benchmarks for the 2019/20 MTREF.

Table 23 MBRR Table SA8 - Performance indicators and benchmarks

DC31 Nkangala - Supporting Table SA8 Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Borrowing Management											
Credit Rating			A1	A1	A1	A1	A1	A1			
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	1.3%	1.2%	0.7%	0.9%	0.8%	0.8%	1.1%	0.6%	0.2%	0.2%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	11.0%	9.2%	6.0%	16.3%	10.7%	10.7%	16.6%	9.6%	3.3%	3.2%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Safety of Capital											
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Liquidity											
Current Ratio	Current assets/current liabilities	13.6	9.8	13.1	9.7	9.7	9.7	20.3	7.1	6.3	6.4
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	13.6	9.8	13.1	9.7	9.7	9.7	20.3	7.1	6.3	6.4
Liquidity Ratio	Monetary Assets/Current Liabilities	11.3	7.8	10.8	7.0	7.1	7.1	17.0	5.4	4.5	4.4
Revenue Management											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	6.7%	3.2%	1.8%	2.0%	2.0%	2.0%	2.5%	2.5%	2.2%	2.6%
Creditors Management											
Creditors System Efficiency	% of Creditors Paid Within Terms (within`MFMA' s 65(e))	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Creditors to Cash and Investments		7.9%	11.9%	8.3%	13.3%	13.0%	13.0%	5.4%	17.7%	21.9%	22.7%
Other Indicators											
Employee costs	Employee costs/(Total Revenue - capital revenue)	23.7%	28.1%	31.7%	38.6%	37.4%	37.4%	32.1%	39.4%	39.9%	39.7%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	27.1%	31.4%	35.2%	42.3%	41.2%	41.2%		43.3%	43.9%	43.9%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	1.8%	1.3%	3.4%	5.8%	6.2%	6.2%		5.8%	5.5%	5.4%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	2.9%	2.8%	2.9%	2.8%	4.2%	4.2%	3.9%	4.2%	3.8%	3.2%
IDP regulation financial viability indicators											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	0.9	1.1	1.8	0.7	0.7	0.7	0.5	1.1	1.2	1.1
ii.O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	24955.8%	12338.7%	0.0%	72154.3%	72154.3%	72154.3%	32518.1%	0.0%	0.0%	0.0%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	38.0	32.7	27.2	19.3	19.5	19.5	44.1	16.4	12.4	10.5

2.3.1 Performance indicators and benchmarks

2.3.1.1 Borrowing Management

Capital expenditure in local government can be funded by capital grants, own-source revenue and long term borrowing. The ability of a municipality to raise long term borrowing is largely dependent on its creditworthiness and financial position. As with all other municipalities, Nkangala District Municipality's borrowing strategy is primarily informed by the affordability of debt repayments. The structure of the District's debt portfolio is dominated by annuity loans. The following financial performance indicators have formed part of the compilation of the 2019/20 MTREF:

- *Capital charges to operating expenditure* is a measure of the cost of borrowing in relation to the operating expenditure. It can be seen that the cost of borrowing has stabilised at 0.6 for 2019/20 to 0.2 for 2021/22 over the MTREF.

- *Borrowing funding of own capital expenditure* measures the degree to which own capital expenditure (excluding grants and contributions) has been funded by way of borrowing. The average over MTREF is zero per cent. Capital expenditure is financed from cash backed accumulated surpluses.

The District's debt profile provides some interesting insights on the District's future borrowing capacity. Firstly, the use of amortising loans leads to high debt service costs at the beginning of the loan, which declines steadily towards the end of the loan's term.

In summary, various financial risks could have a negative impact on the future borrowing capacity of the municipality. In particular, the continued ability of the District to meet its revenue targets and ensure its forecasted cash flow targets are achieved will be critical in meeting the repayments of the debt service costs.

2.3.1.2 Safety of Capital

- *The debt-to-equity ratio* is a financial ratio indicating the relative proportion of equity and debt used in financing the municipality's assets. The indicator is based on the total of borrowing, creditors and provisions as a percentage of funds and reserves. In the 2019/20 financial year the ratio is at a level 0 per cent and remains relatively stable at 0 per cent in the 2021/22 financial year.

2.3.1.3 Liquidity

- *Current ratio* is a measure of the current assets divided by the current liabilities and as a benchmark the District has set a limit of 1, hence at no point in time should this ratio be less than 1. The 2016/17 current ratio of the District was 9.8. The current ratio for 2017/18 was 13.1, whilst the projected current ratio is 9.7 for 2018/19. The 2019/20 financial year is 7.1 and 6.3 and 6.4 for the two outer years of the MTREF respectively.

- *The liquidity ratio* is a measure of the ability of the municipality to utilize cash and cash equivalents to extinguish or retire its current liabilities immediately. Ideally the municipality should have the equivalent cash and cash equivalents on hand to meet at least the current liabilities, which should translate into a liquidity ratio of 1. Anything below 1 indicates a shortage in cash to meet creditor obligations. The 2017/18 current ratio of the District was 10.8, whilst the projected current ratio is 7.1 for 2018/19. The 2019/20 financial year is 5.4 and 4.5 and 4.4 for the two outer years of the MTREF respectively.

2.3.1.4 Revenue Management

- With the abolishment of the RSC Levies the outstanding debtors has declined to a point where the total outstanding debtors to annual revenue is very positive. The estimated ratio for 2019/20 is 2.5 per cent, 2.2 and 2.6 per cent for the two outer years.

2.3.1.5 Creditors Management

- The District has managed to ensure that creditors are settled within the legislated 30 days of invoice. By applying daily cash flow management the municipality has managed to ensure a 100 per cent compliance rate to this legislative obligation. This has had a

favourable impact on suppliers' perceptions of risk of doing business with the District, which is expected to benefit the District in the form of more competitive pricing of tenders, as suppliers compete for the District's business.

2.3.1.6 Other Indicators

- The total employee costs and Councillor remuneration as a percentage of operating revenue are continues to increase.
- For employee related costs, the percentage increases from 37.4 per cent to 39.4, 39.9 and 39.7 per cent respectively over the MTREF.
- For councillor remuneration, the percentage increases from 41.2 per cent to 43.3 and stabilises at 43.9 per cent over the last 2 years of the MTREF.
- Both these norms are in the upper margin or exceed the 25-40 per cent norm.
- Repairs and maintenance as percentage of operating revenue is very low as the District has limited assets.
- The filling of vacancies is making good progress.
- Measures have been put in place to ensure that relevant officials comply with the extension of the minimum competency requirements;

2.4 Overview of budget related-policies

The District's budgeting process is guided and governed by relevant legislation, frameworks, strategies and related policies.

2.4.1 Review of credit control and debt collection procedures/policies

The Credit Control and Debt Collection Policy as approved by Council in October 2003 and was reviewed during the 2018/19 budget process. Proposed review comments will be submitted to Council during May 2019. While the adopted policy is credible, sustainable, manageable and informed by affordability and value for money there has been a need to review certain components to achieve a higher collection rate. Some of the possible revisions will include the lowering of the credit periods for the down payment of debt.
The 2019/20 MTREF has been prepared on the basis of achieving an average debtors' collection rate of 99 per cent on debtors. In addition the collection of debt in excess of 90 days has been prioritised as a pertinent strategy in increasing the District's cash levels.

2.4.2 Asset Management Policy

The reviewed asset management policy was adopted by Council in 2018/19. The policy prescribes the accounting and administrative policies and procedures relating to property, plant and equipment. The depreciation and capitalization of assets are dealt with in terms of this policy. The Asset Management policy was reviewed during the 2018/19 budget preparation process. Proposed review comments will be submitted to Council during May 2019.

2.4.3 Supply Chain Management Policy

The Supply Chain Management Policy was adopted by Council in October 2006. An amended policy was adopted by Council in May 2013. The policy was reviewed during the 2018/19 budget process. Proposed review comments will be submitted to Council during May 2019.
The policy provides for processes to be followed in the procurement of goods and services. The principles of this policy is to give effect to a fair, equitable, transparent, competitive and cost effective system for the procurement of goods and services, disposing of goods and selection of contractors in the provision of municipal services.

2.4.4 Budget and Virement Policy

The Budget and Virement Policy aims to empower senior managers with an efficient financial and budgetary amendment and control system to ensure optimum service delivery within the legislative framework of the MFMA and the District's system of delegations. The Budget and Virement Policy was reviewed during the budget process in 2018/19. Proposed review comments will be submitted to Council during May 2019.

2.4.5 Cash Management and creditor payment Policy

The policy provides for the management of cash and creditor payment. The aim of the policy is to ensure that surplus cash and investments are adequately managed especially the funds set aside for the cash banking of certain reserves. The policy details the minimum cash and cash equivalents required at any point in time and introduce time frames to achieve certain benchmarks. This policy was reviewed by Council during the 2018/19 budget process. Proposed review comments will be submitted to Council during May 2019.

2.4.6 Donation Policy

The policy provides for the conditions and procedures for which donations can be made and accounted for. This policy was reviewed by Council during the 2018/19 budget process. Proposed review comments will be submitted to Council during May 2019.

2.4.7 Tariff Policy

The purpose of the policy is to:

Set out the tariffs which the municipality will levy/charge in preparing each medium term revenue and expenditure framework budget The policy was reviewed by Council during the 2018/19 budget process. Proposed review comments will be submitted to Council during May 2019.

2.4.8 Travel and Subsistence Policy

The objective of this policy is to enforce the promulgated legislation in terms of ad-hoc travel and subsistence allowances, in order to set uniform guidelines for Councillors and officials from Nkangala District Municipality. Furthermore, this policy sets out the basis for the payment of a subsistence and travel allowance for the purposes of such official travelling. The policy was reviewed during the 2018/19 budget process. Proposed review comments will be submitted to Council during May 2019.

2.4.9 Rental of municipal facilities Policy

The objectives of this policy are to:

- Ensure that the rental of council facilities are dealt with in accordance with authorized processes only
- Ensure that the municipality has and maintains an effective system of internal control.

This policy was reviewed by Council during the 2018/19 budget process. Proposed review comments will be submitted to Council during May 2019.

2.4.10 Budget policy

The objective of the budget policy is to set out:

- The principles which the municipality will follow in preparing each medium term revenue and expenditure framework budget,
- The responsibilities of the executive mayor, the accounting officer, the chief financial officer and other senior managers in compiling the budget
- To establish and maintain procedures to ensure adherence to the Nkangala District Municipality's 2019/20 IDP review and budget processes.
- Proposed review comments will be submitted to Council during May 2019.

2.4.11 Borrowing policy

The purpose of the policy is to:

Enable the municipality to exercise their obligation to ensure sufficient cash resources to implement their capital programme in the most cost effective manner.

Ensure compliance with the relevant legal and statutory requirements relating to municipal borrowing.
This policy was reviewed by Council during the 2018/19 budget process. Proposed review comments will be submitted to Council during May 2019.

2.4.12 Funds and reserves policy

The purpose of the policy is to:

The funding and reserves policy is aimed to ensure that the municipality has sufficient and cost-effective funding in order to achieve its objectives through the implementation of its operating and capital budgets.

This policy aims to set guidelines towards ensuring financial viability over both the short- and long-term which includes reserves requirements.

This policy was reviewed by Council during the 2018/19 budget process. Proposed review comments will be submitted to Council during May 2019.

2.4.13 Investment and surplus funds policy

The purpose of the policy is to:

The preservation and safety of investments as a primary aim;

The need of investment diversification;

To specify minimum acceptable credit rating for investments including:

- a list of approved investment types; o a list of approved institutions;
- guidelines for the invitation and selection of competitive bids or offers in accordance with part 1 of chapter 11 of the Act for investments in excess of six (6) months or the appointment of an investments manager;

To put measures in place to ensuring implementation of the policy and internal controls over investments made;
This policy was reviewed by Council during the 2018/19 budget process. Proposed review comments will be submitted to Council during May 2019.

2.4.14 Black listing policy

The purpose of the policy is to:

To prevent the municipality from doing business with persons, business, organizations or entities who abuse the supply chain management system by committing a corrupt, fraudulent, unfair or irregular practice/s.

To prevent the municipality from doing business with individual persons, business, organizations or entities who default on any contract, performance will fully or negligently.

To develop a uniform criteria and a fair process for barring such persons, tenderers and business entities who engage in the above
This policy was reviewed by Council during the 2018/19 budget process. Proposed review comments will be submitted to Council during May 2019.

2.4.15 Catering Policy

Objectives of the policy

To regulate and control expenditure in relation to catering;
To regulate instances and events where catering should be provided;
To indicate what meetings are allowed to have catering;
To indicate what other gatherings are allowed to have catering;

To indicate what type of catering is allowed; and
To indicate the processes to be followed for catering.

This policy was reviewed by Council during the 2018/19 budget process. Proposed review comments will be submitted to Council during May 2019.

2.4.16 Management of foreign exchange policy

The purpose of this policy is to provide an agreed framework within which:

Foreign currency exchange risks are identified and managed in an efficient and cost effective manner;

Foreign exchange conversion differences are properly quantified, accounted for and fairly apportioned between the foreign supplier, any local agent and the Municipality;

The policy was reviewed during the 2018/19 budget process. Proposed review comments will be submitted to Council during May 2019.

2.4.17 SIPDM Model SCM policy

The purpose of this policy is to provide an agreed framework within which:

This policy mainly deals with the supply chain processes for infrastructure items. The policy was developed during the 2018/19 budget process. Proposed review comments will be submitted to Council during May 2019.

2.4.18 Fleet management policy

The purpose of the policy is to provide and maintain an effective and efficient fleet of vehicles, list of machinery and equipment, and manage such fleet in a manner that the Municipality's mission and fleet user's aspired goals are met in a cost effective way.

The policy will further provide for a framework for the use of logbook, petrol cards and vehicle keys. The policy aim to assign accountability and responsibility to relevant officials responsible for fleet assets.

Proposed review comments will be submitted to Council during May 2019.

2.4.19 Provision of doubtful debt and debt write off policy

The purpose of this policy is to provide an agreed framework within which:

This policy mainly deals with the processes for the provision for doubtful debt and debt write off
Proposed review comments will be submitted to Council during May 2019.

2.4.20 Unauthorised_irregular and fruitless and wasteful expenditure

The purpose of this policy is to provide an agreed framework within which:

This policy mainly deals with the processes to deal with unauthorized, irregular and fruitless and wasteful expenditure
Proposed review comments will be submitted to Council during May 2019.

2.4.21 Unsolicited bid policy

The purpose of this policy is to provide an agreed framework within which:

This policy mainly deals with the supply chain processes for unsolicited bids
Proposed review comments will be submitted to Council during May 2019.

2.5 Overview of budget assumptions

2.5.1 External factors

Guidance for the preparation of the 2019/20 Draft Budget is provided by the National Treasury MFMA Circulars 93 & 94 attached hereto as ANNEXURE "A" pages to …….

Highlights from MFMA Municipal Budget Circular for 2019/2020 MTREF Numbers 93 & 94 are as follows:

"**The purpose of these annual MFMA budget circulars** are to guide municipalities with their compilation of the 2019/20 Medium Term Revenue and Expenditure Framework (MTREF), in particular to ensure that funded budgets are adopted by municipal Councils. This means that expenditure must be contained within realistic revenue projections."

“This budget circular is a follow-up to the one issued on 07 December 2018 (Circular No. 93) and it complements the many other circulars that have been issued previously. It guides municipalities with their preparation of the 2019/20 Medium Term Revenue and Expenditure Framework (MTREF) and, as with previous annual budget circulars it should be read within this context. Among the objectives of this Circular, is to support municipalities with giving effect to National Treasury’s Municipal Budget and Reporting Regulations (MBRR) within the current economic climate. The key focus of this Circular is the grant allocations per the 2019 Budget Review and the 2019 Division of Revenue Bill.”

South Africa finds itself at a crossroads. The Medium Term Budget Policy Statement (MTBPS) presented by the Minister of Finance, Mr Tito Mboweni highlights the difficult economic and fiscal choices confronting government over the next several years. In the 2018 MTBPS, the Minister of Finance stated that given *the current economic climate the country faces, the government is confronted by difficult economic and fiscal choices over the medium term*. The Minister further indicated that South Africa needs to choose a path that leads to faster and more inclusive economic growth and strengthens private and public sector investment. The path should also stabilise and reduce the national debt, as South Africa cannot afford to borrow at the rate we are currently borrowing at.

The GDP growth rate is forecasted at 1.5 per cent in 2019, 1.7 per cent in 2020 and 2.1 per cent in 2021. The revisions take into account weaker investment outcomes in 2018, a more fragile recovery in household income and slower export demand than expected due to moderating global growth. Consumer inflation has also been revised down due to lower oil prices and food inflation than previously assumed.

To promote a return to faster growth and job creation, the President announced an economic stimulus and recovery plan in September 2018. The initiative focuses on five interventions:
- Implementing growth-enhancing economic reforms;
- Reprioritising public spending to support economic growth and job creation;
- Establishing an infrastructure fund;
- Addressing urgent matters in education and health; and
- Investing in municipal social infrastructure improvement.

The main risks to the economic outlook are continued policy uncertainty and deterioration in the finances of state-owned entities. These factors, alongside continued high unemployment and slow growth will continue to exert pressure on municipal revenue generation and collection levels hence a conservative approach is advised for municipal revenue projections. Municipalities affected by the drought should also consider its impact on revenue generation. In this context, municipalities will have to improve their efforts to limit non-priority spending and to implement stringent cost-containment measures.

The following macro-economic forecasts must be considered when preparing the 2019/20 MTREF municipal budgets.

Table 1: Macroeconomic performance and projections, 2018 - 2022

Table 1: Macroeconomic performance and projections 2018 -2021

Fiscal Year	2018/19 Estimates	2019/20	2020/21 Forecast	2021/22
Consumer Price Inflation (CPI)	4.7%	5.2%	5.4%	5.4%
Real GDP Growth	0.7%	1.5%	1.7%	2.1%

Source: 2019 Budget Review.

Note: the fiscal year referred to is the national fiscal year (April to March) which is more closely aligned to the municipal fiscal year (July to June) than the calendar year inflation.

Key focus areas for the 2019/20 municipal budget process

Over the medium-term expenditure framework (MTEF) period, after budgeting for national government's debt-service costs, the contingency reserve and provisional allocations, 47.9 per cent of nationally raised funds are allocated to national government, 43 per cent to provinces and 9.1 per cent to local government.

Metropolitan areas and other large cities fund most of their operational budgets from revenues they raise themselves. There is ample scope for creditworthy municipalities with strong financial management to increase local capital investment by expanding municipal borrowing. In 2017/18, half of infrastructure spending by metros and large cities was still funded from transfers, primarily from national government. Reforms over the medium term will enhance the ability of municipalities to raise revenue to invest in their own development.

Government will introduce: Policy reforms to clarify the role of development finance institutions in municipal borrowing and to regulate municipal development charges are under way to broaden municipal access to private capital markets. Financing arrangements with development finance institutions and multilateral development institutions will include much needed technical assistance to improve project planning, preparation and implementation. Government is also updating the policy framework for municipal borrowing and financial emergencies.

The purpose is to establish a system which not only ensures stability and certainty in local government finances, but also seeks to implicitly create incentives and attract more players in the municipal debt market space, i.e. insurers, pension funds, fund managers and DFIs.

Local government grants and municipal revenue strength

Since the 2018 Medium Term Budget Policy Statement (MTBPS) reprioritisation and reductions undertaken have affected planned spending for 2018/19. Over the next three years there is strong growth in allocations to the local government equitable share, while growth in conditional grants recovers following significant reductions made in the 2018 MTEF. Total direct allocations to local government will now grow at an annual average rate of 7.6 per cent over the MTEF period.

Legislation governing local planning and budgeting emphasises community participation in decision-making. The partnership between municipalities and communities relies on households and businesses recognising the value of, and paying for, municipal services. While government subsidises municipal services for low-income households, these services are only sustainable if people who can afford them – and use larger quantities – pay their bills. Therefore, the sustainability of municipalities depends on how they collect and spend their own revenues.

Over R2.5 billion has been allocated per year over the 2019/20 MTREF to enable National and provincial treasuries to better manage interventions. This will strengthen the National Treasury's Municipal Financial Recovery Service (MFRS) capacity to draft financial recovery plans for municipalities and that of provinces to implement these plans. These recovery plans set revenue and spending targets for the municipality and identify specific revenue-raising measures.

The new grant that government had proposed to help municipalities facing financial crisis will no longer be introduced. The funds set aside for this will instead be reprioritised for other initiatives that will assist the turnaround of municipalities. Ultimately, sustainable financial recovery will require improved governance within the affected municipalities following the intervention. And better use of grants, together with improved maintenance, will also reduce pollution from wastewater treatment works, which has become a more pressing concern in a number of municipalities.

The Revenue budget

Local government also confronts tough fiscal choices in the face of financial and institutional problems that result in service-delivery breakdowns and unpaid bills. Municipalities can offset these trends by improving own revenue collection, working more efficiently and implementing cost containment measures. Addressing bloated organizational structures that have been observed to contribute towards this problem warrants decisive action across all municipalities.

Conditional grant transferred to municipalities

No rollover requests will be considered for municipalities with vacant or acting Chief Financial Officers and Municipal Managers for a period exceeding 6 months from the date of vacancy.

If any of the prescribed information is not provided or the application for roll over grant funding is received by National Treasury (Intergovernmental Relations Division) after 31 August 2019, the application will be declined.

In addition to prescribed information, NT will also consider the following information on assessing rollover applications:

1. Compliance with the in-year reporting requirements in terms of sections 71 and 72 of the MFMA and section 12 of the 2018 DoRA, including the municipal manager and chief financial officer signing-off on the information sent to National Treasury;
2. Submission of the pre-audited Annual Financial Statements information to National Treasury by 31 August 2019;
3. Accurate disclosure of grant performance in the 2018/19 pre-audited Annual Financial Statements, (i.e. correct disclosure of grant receipts and spending in the notes to the AFS);

4. Cash available in the bank (net position including short term investments) as at 30 June 2019 is in line with the cash flow statements to finance the roll-over request. If the full amount that is requested for roll over is not entirely cash backed, such a roll over will not be approved. National Treasury will not approve portions of roll over requests.

It should be noted that under no circumstances will the National Treasury consider requests to roll-over:
1. The entirety of any allocation to the municipality, as there should be a minimum spend of 50 per cent of the allocation per programme;
2. Funding from the same grant for the third consecutive time;
3. Funding for projects constituted through Regulation 32 of the Municipal Supply Chain Management Regulations (Gazette No.27636). Projects linked to additional funding and disasters are exempted; and
4. Funding where there is evidence that the roll over application is linked to invoices that were issued within the last 30 days of the municipal financial year end.

Municipal Budget and Reporting regulations

The slow spending of capital budgets by most municipalities is a national concern as it has a negative impact on service delivery. In most cases the hockey stick phenomenon that exists (i.e. spending increases in the last six months of the year) is a direct result of poor planning by municipalities. Going forward and to address weak planning process, all municipalities will be required to table the following supporting documents to Council, as part of the budget pack, when they table their budgets by 29 March 2019:

1) Service Delivery and Budget Implementation Plan (SDBIP); and
2) Procurement Plan.

National Treasury, together with the provincial treasuries, will undertake a compliance check and, where municipalities have not provided complete budget information, the municipal budgets will be returned to the mayors and municipal managers of the affected municipalities for the necessary corrections. Municipal managers are reminded that the annual budget must be accompanied by a quality certificate and council resolution in accordance with the format specified in item 31 of Schedule A of the Municipal Budget and Reporting Regulations. In addition to the above compliance check, the *m*SCOA data strings will be assessed to determine whether the municipalities are compliant.

The National Treasury herewith emphasises that where municipalities have not adhered to the Municipal Budget and Reporting Regulations, ***they will be required to return to the municipal council and table a complete budget document aligned to the requirement of the Municipal Budget and Reporting Regulations***.

Municipal Chart of Accounts (mSCOA)

According to international learning practices, it is appropriate to reclassify historical information in accordance with the changes that occur in the Standard Chart of Accounts. Municipalities must capture the reclassified audit outcomes for 2015/16 to 2017/18 in version 6.3 of the Schedule A when compiling 2019/20 MTREF budgets.

Local government budget and financial management reforms

Regulation of a 'Municipal Standard Chart of Accounts' (mSCOA) for local government

The *m*SCOA Regulations apply to all municipalities and municipal entities with effect from 1 July 2017.

Technically, for a municipality to be regarded as *m*SCOA compliant on 1 July 2017 it must be able to transact across all the *m*SCOA segments and its core system and all sub-systems (including that of its municipal entities) must seamlessly integrate. Among the lessons learnt from the pilot municipalities, stems the recommendation that a municipality's point of departure for achieving system integration is that it prioritises the maximum integration potential of its core system so that it integrates with the Debtors main sub-system (including cash management and receipting), Payroll and the Assets Management sub-system modules. Furthermore, all municipalities must accommodate seamless integration of the Integrated Development Plan (IDP), Service Delivery and Budget Implementation Plan (SDBIP) and Budget facilities into the core financial system as these documents create a point of departure for the transactional environment come 1 July 2017.

The NDM is one of the identified pilot municipalities for the mSCOA and has implemented the mSCOA on the 1st of July 2015. The 2019/20 budget year will be the sixth budget on mSCOA.

2.5.2 General inflation outlook and its impact on the municipal activities

There are five key factors that have been taken into consideration in the compilation of the 2019/20 MTREF:

- National Government macro-economic targets;
- The general inflationary outlook and the impact on District's residents and businesses;
- The impact of municipal cost drivers; and

The following macro-economic forecasts must be considered when preparing the 2019/20 MTREF municipal budgets.

Table 1: Macroeconomic performance and projections 2018 -2021

Fiscal Year	2018/19 Estimates	2019/20	2020/21 Forecast	2021/22
Consumer Price Inflation (CPI)	4.7%	5.2%	5.4%	5.4%
Real GDP Growth	0.7%	1.5%	1.7%	2.1%

Source: 2019 Budget Review.

Note: the fiscal year referred to is the national fiscal year (April to March) which is more closely aligned to the municipal fiscal year (July to June) than the calendar year inflation.

Credit rating outlook

The NDM final credit rating report completed by Global Credit Rating Co. in October 2017.

The credit ratings of municipalities are based on South African national scales. The highest grade in the long-term assessment is "zaAAA" and scales down from there to zaBBB – the lowest. Within each of the levels a "+" or "-"sign indicates further relative strength or weakness. An "A" indicates relative strength and capacity to repay liabilities. The best short-term grades range from zaA1+ down to zaA1-. In the examples shown in the above table, eThekwini municipality has the best long-term rating and is at the highest level in the short term.

NDM PREVIOUS CREDIT RATING AUGUST 2013

Global Credit Co. performed the last NDM credit rating and the following were the results thereof:

Rating class	**Rating scale**	**Rating**	**Rating outlook**
Long term	National	A(ZA)	Stable
Short term	National	A(ZA)	Stable
Long term	International	BBB-	Stable

There was high credit quality relative to other issuers or obligations in the in the municipal space and protection factors were good. However, risk factors were more variable and greater in periods of economic stress.

NDM CURRENT RATINGS OCTOBER 2017

The NDM rating was premised on the following seven (7) fundamental economic indicators and drivers:

- ✓ The fact that NDM" economy is underpinned by coal mining and primary industries, which have been significantly impacted by the constrained GDP growth, resulting in higher unemployment. Nevertheless, NDM has generally reported an improvement in socio-economic conditions. The further development of its agricultural sector is now being prioritised to facilitate the economic inclusion of the more rural areas.

- ✓ NDM's mandate of coordinating infrastructure development across the six municipalities in its district, as well as supporting the underlying municipalities in a range of functions. This includes overseeing sewage, water and road infrastructure needs and the implementation of projects that address the disparities. Support functions comprise environmental regulations and firefighting in the poorer areas.

- ✓ The fact that NDM does not provide any trading services and is reliant on the National Government for over 90% of its income, with the remainder comprising interest income. This provides a predictable and reliable stream of income to fund its operational and capex requirements. However, it also heavily exposes the District to the constrained financial position of the national fiscus, which has already resulted in grant income growth falling behind inflation.

- ✓ Expenditure patterns which have evidenced an adverse trend, with a growing proportion being spent on staff and administration costs, and a lower amount on the core development support. Thus, while grants and subsidies accounted for 62% of expenditure in FY14, this decreased to 50% in FY16 and 45% in FY17. This suggests that resources are being drawn away from addressing infrastructure deficiencies.

- ✓ NDM reported R413m in cash and liquid assets, spread across the major domestic banks (FY16: R410m). This equated to 469 days cash coverage, in line with the level that has been attained in most years under review.

- ✓ NDM has negligible debt of R8.4m at FY17, which consists mainly of the historic DBSA loans. The District has, thus, remained in an ungeared position over the review period with consistently strong credit protection metrics. There are no current plans to incur new debt.
- ✓ Although NDM's infrastructure development budget is in line with previous years, GCR noted a historical underperformance relative to the budget. If the District's infrastructure

2.5.3 Interest rates for borrowing and investment of funds

The MFMA specifies that borrowing can only be utilised to fund capital or refinancing of borrowing in certain conditions. The District engaged in a number of financing arrangements to minimise its interest rate costs and risk. However, in 2019/20 MTREF is based on the assumption that no additional borrowings are undertaken.

2.5.4 Collection rate for revenue services

The rate of revenue collection is currently expressed as a percentage (99 per cent) of budgeted income. Cash flow is assumed to be 99 per cent of budgeted income.

2.5.5 Salary increases

Employee related costs

The multi-year Salary and Wage Collective Agreement for the period 1 July 2018 to 30 June 2021 must be taken into account when calculating the salary budget.

The agreement reached is as follows:
2018/19 Financial Year – 7.0 per cent
2019/20 Financial Year – projected CPI plus 1,5 per cent
2020/21 Financial Year – projected CPI plus 1,25 per cent

Remuneration of Councilors

Municipalities are advised to budget for the actual costs approved in accordance with the gazette on the Remuneration of Public Office Bearers Act: Determination of Upper Limits of Salaries, Allowances and Benefits of different members of municipal councils published annually by the Department of Cooperative Governance.

Impact of national, provincial and local policies

Integration of service delivery between national, provincial and local government is critical to ensure focussed service delivery and in this regard various measures were implemented to align IDPs, provincial and national strategies around priority spatial interventions. In this regard, the following national priorities form the basis of all integration initiatives:

- Creating jobs;
- Enhancing education and skill development;
- Improving Health services;
- Rural development and agriculture; and
- Fighting crime and corruption.

To achieve these priorities integration mechanisms are in place to ensure integrated planning and execution of various development programs. The focus will be to strengthen the link between policy priorities and expenditure thereby ensuring the achievement of the national, provincial and local objectives.

2.5.6 Ability of the municipality to spend and deliver on the programmes

It is estimated that a spending rate of at least 60 per cent is achieved on operating expenditure and 60 per cent on the capital programme for the 2019/20 MTREF of which performance has been factored into the cash flow budget.

2.6 Overview of budget funding

2.6.1 Medium-term outlook: operating revenue

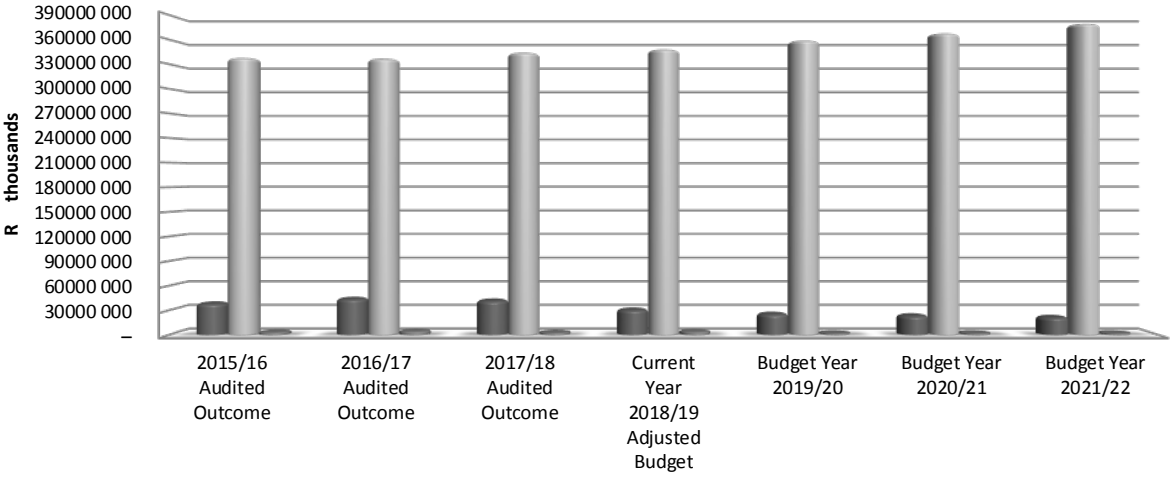
The following table is a breakdown of the operating revenue over the medium-term:

Table 25 Breakdown of the operating revenue over the medium-term

DC31 Nkangala - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

Description	Ref	Budget Year 2019/20												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Revenue by Vote																
Vote 1 - Municipal Manager		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Chief Finance Officer		152,110	2,960	2,162	2,233	2,560	120,583	2,140	3,268	91,723	2,090	2,140	1,875	385,849	394,859	404,663
Vote 3 - GM Corporate services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 4 - GM Social Services		70	150	95	130	95	80	90	70	105	138	109	178	1,310	1,380	1,450
Vote 5 - GM Planning & Economic Development		-	534	-	-	959	-	-	639	-	-	-	-	2,131	-	-
Vote 6 - GM Technical Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue by Vote		152,180	3,644	2,257	2,363	3,614	120,663	2,230	3,977	91,828	2,228	2,249	2,053	389,290	396,239	406,113
Expenditure by Vote to be appropriated																
Vote 1 - Municipal Manager		6,919	7,178	7,799	6,030	6,618	12,562	8,519	6,352	6,728	5,950	9,634	15,033	99,322	97,922	97,649
Vote 2 - Chief Finance Officer		2,910	3,215	3,562	3,086	3,024	1,885	1,931	2,204	2,180	4,113	1,947	2,082	32,140	33,214	34,198
Vote 3 - GM Corporate services		4,409	4,228	4,534	4,128	4,286	4,695	4,397	4,365	4,834	4,115	5,716	4,866	54,573	57,329	59,703
Vote 4 - GM Social Services		9,112	9,122	9,116	8,495	8,676	9,178	7,891	9,717	8,947	11,166	8,632	9,865	109,920	112,735	113,130
Vote 5 - GM Planning & Economic Development		3,355	4,434	2,776	3,763	4,004	4,853	2,392	2,564	4,170	2,421	1,984	2,360	39,076	33,713	42,062
Vote 6 - GM Technical Services		6,373	9,677	12,030	12,982	9,947	10,779	12,982	11,079	9,827	15,262	7,474	7,687	126,100	113,634	73,483
Total Expenditure by Vote		33,078	37,854	39,817	38,483	36,557	43,952	38,112	36,280	36,688	43,027	35,389	41,894	461,131	448,547	420,224
Surplus/(Deficit) before assoc.		119,102	(34,210)	(37,559)	(36,120)	(32,943)	76,711	(35,882)	(32,303)	55,140	(40,799)	(33,140)	(39,840)	(71,841)	(52,308)	(14,111)
Taxation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	1	119,102	(34,210)	(37,559)	(36,120)	(32,943)	76,711	(35,882)	(32,303)	55,140	(40,799)	(33,140)	(39,840)	(71,841)	(52,308)	(14,111)

The following graph is a breakdown of the operational revenue per main category for the 2019/20 financial year.



	2015/16 Audited Outcome	2016/17 Audited Outcome	2017/18 Audited Outcome	Current Year 2018/19 Adjusted Budget	Budget Year 2019/20	Budget Year 2020/21	Budget Year 2021/22
Investment revenue	38235 491	43921 012	41793 071	30591 340	25450 000	23460 000	21470 000
Transfers recognised - operational	338036 461	337235 000	344488 000	348588 000	359405 001	368176 000	379869 000
Other own revenue	3483 055	4572 255	2931 655	4172 155	2125 000	2161 000	2197 000

Figure 5 Breakdown operating revenue over the 2019/20 MTREF

Operating Grants form a significant percentage of the revenue basket for the District. In the 2019/20 financial year, the operating grants totalled R359,405 million or 92.87 per cent. This increases to R368,176 million and R379,869 million in the respective financial years of the MTREF.

Investment revenue is the second largest revenue source totalling 6.58 per cent or R25,450 million and decreases to R21,470 million by 2021/22. The third largest sources is 'other revenue' which consists of various items such as income received from discounts, sale of tender documents and sundry income.

The tables below provide detail investment information and investment particulars by maturity.

Table 26 MBRR SA15 – Detail Investment Information

DC31 Nkangala - Supporting Table SA15 Investment particulars by type

Investment type	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Parent municipality										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank		458 096	449 150	426 210	367 231	371 011	371 011	336 933	262 294	229 178
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Promisary note		40 862	44 846	49 219	48 967	48 967	48 967	54 018	59 419	65 361
Municipality sub-total	1	498 958	493 996	475 429	416 197	419 978	419 978	390 951	321 713	294 539
Consolidated total:		498 958	493 996	475 429	416 197	419 978	419 978	390 951	321 713	294 539

Table 27 MBRR SA16 – Investment particulars by maturity

Deposits - Bank

Investments by Maturity	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate ³	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
Name of institution & investment ID	1	Yrs/Months												
Parent municipality														
Deposits - Bank			Short term deposits	Yes		Variable				336 933				336 933
Promisary note			Long term	Yes		9.75			30 September 2019	54 018				54 018
														–
														–
														–
														–
														–
Municipality sub-total										390 951		–	–	390 951
TOTAL INVESTMENTS AND INTEREST	1									390 951		–	–	390 951

For the medium-term, the funding strategy has been informed directly by ensuring financial sustainability and continuity. The MTREF therefore provides for a budgeted surpluses be invested. This surplus is intended to partly fund contribution to local municipalities from own sources as well as ensure adequate cash backing of reserves and funds.
Operating Grants form a significant percentage of the revenue basket for the District. In the 2019/20 financial year, the operating grants totalled R359,405 million or 92.80 per cent. This increases to R368,176 million and R379,869 million in the respective financial years of the MTREF and includes the RSC Levy Replacement, local government equitable share and other operating grants from national government.

Investment revenue is the second largest revenue source totalling 6.86 per cent or R25,450 million and decreases to R21,470 million by 2021/22. The third largest sources is 'other revenue' which consists of various items such as income received from discounts, sale of tender documents and sundry income.

The following table is a detailed analysis of the District's borrowing liability.

Table 28 MBRR Table SA 17 - Detail of borrowings

DC31 Nkangala - Supporting Table SA17 Borrowing

Borrowing - Categorised by type	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Parent municipality										
Annuity and Bullet Loans										
Long-Term Loans (non-annuity)		7 713	4 628	2 808	1 543	1 543	1 543	2 480	456	1 600
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
Municipality sub-total	1	7 713	4 628	2 808	1 543	1 543	1 543	2 480	456	1 600
Total Borrowing	1	7 713	4 628	2 808	1 543	1 543	1 543	2 480	456	1 600

The following graph illustrates the growth in outstanding borrowing for the 2019/20 to 2021/22 period.

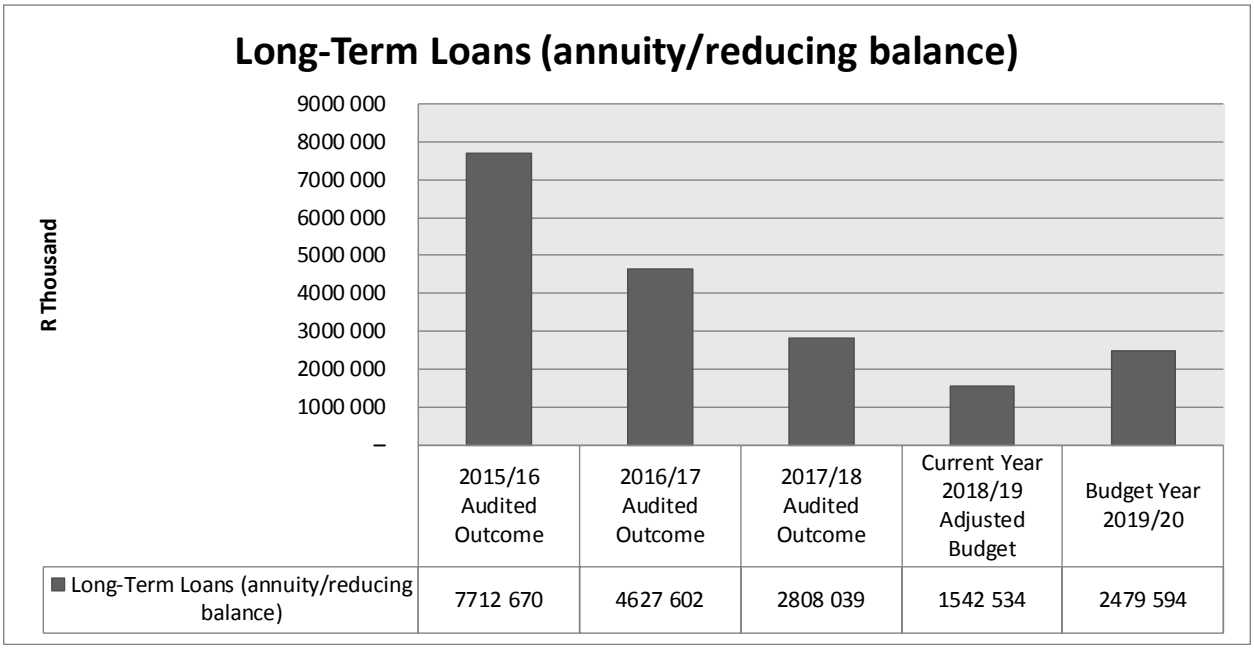


Figure 6 Decline in outstanding borrowing (long-term liabilities)

Table 29 MBRR Table SA 18 - Capital transfers and grant receipts

DC31 Nkangala - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		330 683	337 235	344 488	348 588	348 588	348 588	359 405	368 176	379 869
Local Government Equitable Share			–	19 402	20 973	20 973	20 973	23 791	25 702	27 817
RSC Levy Replacement		326 223	333 667	319 654	322 989	322 989	322 989	332 483	341 474	351 052
Finance Management		1 250	1 250	1 250	1 000	1 000	1 000	1 000	1 000	1 000
Municipal Systems Improvement		930	–	–				–	–	–
EPWP Incentive		2 280	2 318	4 182	3 626	3 626	3 626	2 131	–	–
Provincial Government:		3 000	–	–	–	–	–	–	–	–
Provincial Treasury Data cleansing		3 000	–					–	–	–
Total Operating Transfers and Grants	5	333 683	337 235	344 488	348 588	348 588	348 588	359 405	368 176	379 869
Capital Transfers and Grants										
National Government:		2 010	2 076	2 175	2 180	2 180	2 180	2 310	2 442	2 577
Rural Transport Services and Infrastructure		2 010	2 076	2 175	2 180	2 180	2 180	2 310	2 442	2 577
Other grant providers:		–	–	–	–	1 500	1 500	–	–	–
Land - Dr JS Moroka Local Municipality						1 500	1 500	–	–	–
Total Capital Transfers and Grants	5	2 010	2 076	2 175	2 180	3 680	3 680	2 310	2 442	2 577
TOTAL RECEIPTS OF TRANSFERS & GRANTS		335 693	339 311	346 663	350 768	352 268	352 268	361 715	370 618	382 446

2.6.2 Cash Flow Management

Cash flow management and forecasting is a critical step in determining if the budget is funded over the medium-term. The table below is consistent with international standards of good financial management practice and also improves understandability for councillors and management. Some specific features include:

- Clear separation of receipts and payments within each cash flow category;
- Clear separation of capital and operating receipts from government, which also enables cash from 'Ratepayers and other' to be provide for as cash inflow based on actual performance. In other words the *actual collection rate* of billed revenue., and
- Separation of borrowing and loan repayments (no set-off), to assist with MFMA compliance assessment regarding the use of long term borrowing (debt).

Table 30 MBRR Table A7 - Budget cash flow statement

DC31 Nkangala - Table A7 Budgeted Cash Flows											
Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates									–	–	–
Service charges									–	–	–
Other revenue		3,432	25,039	6,393	2,346	4,172	4,172	3,484	2,125	2,161	2,197
Government - operating	1	334,043	337,391	344,488	348,588	348,588	348,588	261,901	359,405	368,176	379,869
Government - capital	1	2,010	2,076	2,175	2,180	3,680	3,680	–	2,310	2,442	2,577
Interest		38,133	43,945	41,755	22,459	30,591	30,591	11,655	25,450	23,460	21,470
Dividends		–	–	–				–	–	–	–
Payments											
Suppliers and employees		(132,298)	(210,405)	(216,720)	(192,345)	(233,518)	(233,518)	(131,023)	(229,480)	(297,663)	(311,046)
Finance charges		(1,610)	(1,127)	(780)	(968)	(635)	(635)	(360)	(174)	(21)	–
Transfers and Grants	1	(177,349)	(162,301)	(176,411)	(147,154)	(166,623)	(166,623)	(62,382)	(155,421)	(135,659)	(97,060)
NET CASH FROM/(USED) OPERATING ACTIVITIES		**66,361**	**34,617**	**900**	**35,106**	**(13,745)**	**(13,745)**	**83,274**	**4,216**	**(37,103)**	**(1,993)**
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		58	282	34	–	–	–	–	–	–	–
Decrease (Increase) in non-current debtors		–	(3,984)		–	–	–	–	–	–	–
Decrease (increase) other non-current receivables		–	–		–	–	–	–	–	–	–
Decrease (increase) in non-current investments		(4,205)	–	(4,373)	(4,120)	(4,120)	(4,120)	–	(5,051)	(5,402)	(5,942)
Payments											
Capital assets		(29,181)	(34,803)	(21,621)	(33,248)	(30,746)	(30,746)	(8,159)	(36,600)	(30,688)	(24,590)
NET CASH FROM/(USED) INVESTING ACTIVITIES		**(33,329)**	**(38,505)**	**(25,959)**	**(37,368)**	**(34,866)**	**(34,866)**	**(8,159)**	**(41,651)**	**(36,090)**	**(30,532)**
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		–	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing		–	–	–	–	–	–	–	–	–	–
Increase (decrease) in consumer deposits		–	–	–	–	–	–	–	–	–	–
Payments											
Repayment of borrowing		(3,085)	(3,353)	(1,909)	(3,085)	(3,085)	(3,085)	(2,148)	(2,480)	(820)	(750)
NET CASH FROM/(USED) FINANCING ACTIVITIES		**(3,085)**	**(3,353)**	**(1,909)**	**(3,085)**	**(3,085)**	**(3,085)**	**(2,148)**	**(2,480)**	**(820)**	**(750)**
NET INCREASE/ (DECREASE) IN CASH HELD		**29,947**	**(7,241)**	**(26,968)**	**(5,347)**	**(51,696)**	**(51,696)**	**72,968**	**(39,915)**	**(74,013)**	**(33,275)**
Cash/cash equivalents at the year begin:	2	**435,195**	**465,142**	457,901	377,706	**430,933**	**430,933**	**408,446**	**379,237**	**339,322**	**265,309**
Cash/cash equivalents at the year end:	2	**465,142**	**457,901**	430,933	**372,359**	**379,237**	**379,237**	**481,413**	**339,322**	**265,309**	**232,034**

The budgeted cash flow statement is the first measurement in determining if the budget is funded.

It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.

It can be seen that the cash levels of the District decreased from R465,142 million over the 2015/16 to R430,933 million in 2017/18 period.

The current approved 2018/19 MTREF provide for a further net decrease in cash of R51,696 million for the 2018/19 financial year resulting in an overall projected positive cash position of R379,237 million at year end.

Cash and cash equivalents totals R339,322 million as at the end of the 2019/20 financial year and diminishes to R232,034 million by 2021/22.

2.6.3 Cash Backed Reserves/Accumulated Surplus Reconciliation

This following table meets the requirements of MFMA Circular 42 which deals with the funding of a municipal budget in accordance with sections 18 and 19 of the MFMA. The table seeks to answer three key questions regarding the use and availability of cash:

- What are the predicted cash and investments that are available at the end of the budget year?
- How are those funds used?
- What is the net funds available or funding shortfall?

A surplus would indicate the cash-backed accumulated surplus that was/is available. A shortfall (applications > cash and investments) is indicative of non-compliance with section 18 of the MFMA requirement that the municipality's budget must be 'funded'. Non-compliance with section 18 is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded (budgeted spending is greater than funds available or to be collected). It is also important to analyse trends to understand the consequences, e.g. the budget year might indicate a small surplus situation, which in itself is an appropriate outcome, but if in prior years there were much larger surpluses then this negative trend may be a concern that requires closer examination.

Table 31 MBRR Table A8 - Cash backed reserves/accumulated surplus reconciliation

DC31 Nkangala - Table A8 Cash backed reserves/accumulated surplus reconciliation											
Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Cash and investments available											
Cash/cash equivalents at the year end	1	465,142	457,901	430,933	372,359	379,237	379,237	481,413	339,322	265,309	232,034
Other current investments > 90 days		(0)	0	0	(0)	(0)	(0)	0	0	0	0
Non current assets - Investments	1	40,862	44,846	49,219	48,967	48,967	48,967	49,219	54,018	59,419	65,361
Cash and investments available:		**506,005**	**502,748**	**480,152**	**421,325**	**428,204**	**428,204**	**530,632**	**393,340**	**324,729**	**297,396**
Application of cash and investments											
Unspent conditional transfers		–	–	–	–	–	–	–	–	–	–
Unspent borrowing		–	–	–	–	–	–		–	–	–
Statutory requirements	2										
Other working capital requirements	3	11,312	(14,139)	20,824	41,772	41,772	41,772	19,002	50,325	47,488	39,433
Other provisions											
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5										
Total Application of cash and investments:		**11,312**	**(14,139)**	**20,824**	**41,772**	**41,772**	**41,772**	**19,002**	**50,325**	**47,488**	**39,433**
Surplus(shortfall)		**494,692**	**516,887**	**459,328**	**379,553**	**386,432**	**386,432**	**511,631**	**343,015**	**277,240**	**257,963**

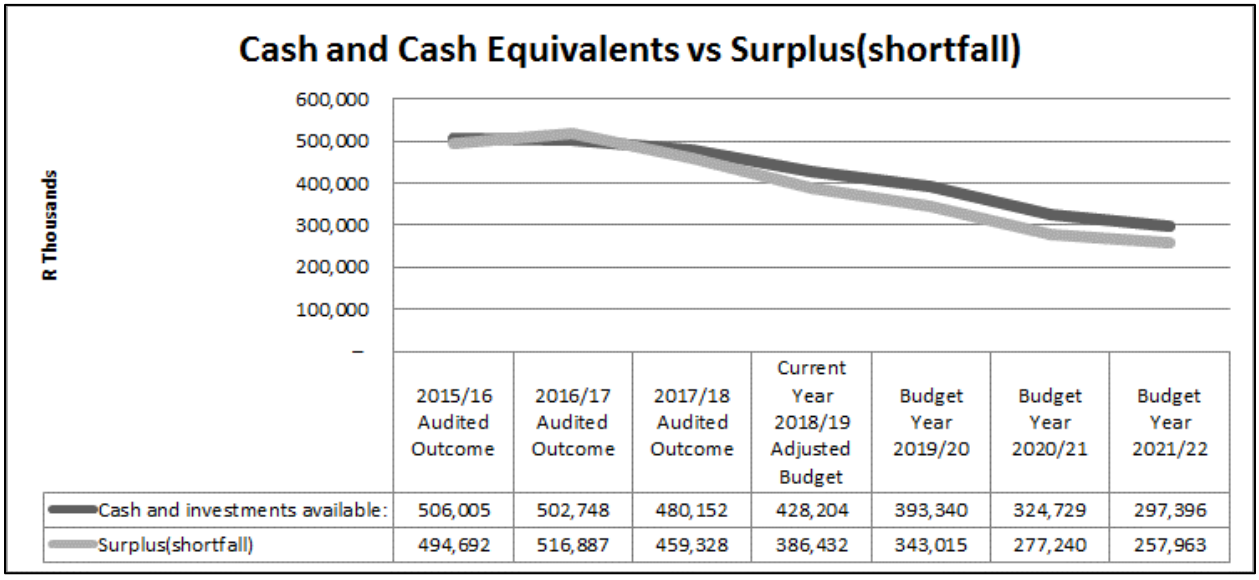
From the above table it can be seen that the cash and investments available total R393,340 million in the 2019/20 financial year and progressively decrease to R297,396 million by 2021/22, including the projected cash and cash equivalents as determined in the cash flow forecast. The following is a breakdown of the application of this funding:

- The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
- In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
- The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative

of non-compliance with the MFMA requirements that the municipality's budget must be "funded".

- Non-compliance with section 18 of the MFMA is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded.
- From the table it can be seen that for the period 2015/16 to 2017/18 the surplus decreased from R494,692 million to R459,328 million.
- From the table it can be seen that the surplus decrease to R343,015 in 2019/20 and increase to R277,240 in 2020/21 and R257,963 in 2021/22
- Considering the requirements of section 18 of the MFMA, it can be concluded that the adopted 2019/20 MTREF was sufficiently funded.
- As part of the budgeting and planning guidelines that informed the compilation of the 2019/20 MTREF the end objective of the medium-term framework was to ensure the budget is funded aligned to section 18 of the MFMA.

The following graph supplies an analysis of the trends relating cash and cash equivalents and the cash backed reserves/accumulated funds reconciliation over a seven year perspective.



	2015/16 Audited Outcome	2016/17 Audited Outcome	2017/18 Audited Outcome	Current Year 2018/19 Adjusted Budget	Budget Year 2019/20	Budget Year 2020/21	Budget Year 2021/22
Cash and investments available:	506,005	502,748	480,152	428,204	393,340	324,729	297,396
Surplus(shortfall)	494,692	516,887	459,328	386,432	343,015	277,240	257,963

Figure 7 Cash and cash equivalents / Cash backed reserves and accumulated funds

2.6.4 Funding compliance measurement

National Treasury requires that the municipality assess its financial sustainability against fourteen different measures that look at various aspects of the financial health of the municipality. These measures are contained in the following table. All the information comes directly from the annual budgeted statements of financial performance, financial position and cash flows. The funding

compliance measurement table essentially measures the degree to which the proposed budget complies with the funding requirements of the MFMA. Each of the measures is discussed below.

Table 32 MBRR SA10 – Funding compliance measurement

DC31 Nkangala Supporting Table SA10 Funding measurement

Description	MFMA section	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Funding measures												
Cash/cash equivalents at the year end - R'000	18(1)b	1	465,142	457,901	430,933	372,359	379,237	379,237	481,413	339,322	265,309	232,034
Cash + investments at the yr end less applications - R'000	18(1)b	2	494,692	516,887	459,328	379,553	386,432	386,432	511,631	343,015	277,240	257,963
Cash year end/monthly employee/supplier payments	18(1)b	3	38.2	32.9	27.2	19.3	19.5	19.5	44.1	16.4	12.4	10.5
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	24,919	23,808	(10,602)	(69,651)	(65,274)	(65,274)	58,753	(71,841)	(52,308)	(14,111)
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	5	N.A.	(6.0%)	(6.0%)	(6.0%)	(6.0%)	(6.0%)	(6.0%)	(6.0%)	(6.0%)	(6.0%)
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	99.3%	553.0%	217.6%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Capital payments % of capital expenditure	18(1)c;19	8	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10								100.0%	100.0%	100.0%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	(51.8%)	(44.5%)	11.7%	0.0%	0.0%	(10.6%)	25.8%	(11.0%)	22.2%
Long term receivables % change - incr(decr)	18(1)a	12	N.A.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M % of Property Plant & Equipment	20(1)(vi)	13	5.0%	3.0%	7.9%	10.9%	12.0%	12.0%	14.5%	12.4%	10.7%	10.2%
Asset renewal % of capital budget	20(1)(vi)	14	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

2.6.4.1 Cash/cash equivalent position

The District's forecast cash position was discussed as part of the budgeted cash flow statement. A 'positive' cash position, for each year of the MTREF would generally be a minimum requirement, subject to the planned application of these funds such as cash-backing of reserves and working capital requirements.

If the municipality's forecast cash position is negative, for any year of the medium term budget, the budget is very unlikely to meet MFMA requirements or be sustainable and could indicate a risk of non-compliance with section 45 of the MFMA which deals with the repayment of short term debt at the end of the financial year. The forecasted cash and cash equivalents for the 2019/20 MTREF shows R393,322 million, R324,929 million and R297,396 million for each respective financial year.

2.6.4.2 Cash plus investments less application of funds

The purpose of this measure is to understand how the municipality has applied the available cash and investments as identified in the budgeted cash flow statement. The detail reconciliation of the cash backed reserves/surpluses is contained in Table 18. The reconciliation is intended to be a relatively simple methodology for understanding the budgeted amount of cash and investments available with any planned or required applications to be made. This has been extensively discussed above.

2.6.4.3 Monthly average payments covered by cash or cash equivalents

The purpose of this measure is to understand the level of financial risk should the municipality be under stress from a collection and cash in-flow perspective. Regardless of the annual cash position an evaluation should be made of the ability of the District to meet monthly payments as and when they fall due. It is especially important to consider the position should the municipality be faced with an unexpected disaster that threatens revenue collection. The ratio has been decreasing for the period 2015/16 to 2017/18, moving from 38.0 to 27.2 with the adopted 2018/19 MTREF, stabilises at 19.5. As part of the 2019/20 MTREF the municipalities improving Project expenditure the cash position causes the ratio to down to 16.4 for 2019/20 and then decreases to 12.4 for the 2020/21 and to 10.5 in the 2021/22 year. It can be concluded that the District maintains a stable cash position.

2.6.4.4 Surplus/deficit excluding depreciation offsets

The main purpose of this measure is to understand if the revenue levels are sufficient to conclude that the community is making a sufficient contribution for the municipal resources consumed each year. An 'adjusted' surplus/deficit is achieved by offsetting the amount of depreciation related to externally funded assets. Municipalities need to assess the result of this calculation taking into consideration its own circumstances and levels of backlogs.

The surplus excluding depreciation offsets declined from a surplus of R24,919 million in 2015/16 to a deficit of (R10,602) million in 2017/18. It should be noted that there is a deficit of (R65,274) million estimated in 2018/19. The deficit of (R71,841) million is budgeted for 2019/20, (R52,308) million for 2020/21 and (R14,111) million for 2021/22 is mainly due to the current commitments on contributions to local municipalities, which is funded from accumulated surpluses.

It needs to be noted that a surplus does not necessarily mean that the budget is funded from a cash flow perspective and the first two measures in the table are therefore critical.

2.6.4.5 Property Rates/service charge revenue as a percentage increase less macro inflation target

This ratio does not apply to the District as no property rates /service charges is collected by the District.

2.6.4.6 Cash receipts as a percentage of other revenue

This factor is a macro measure of the rate at which funds are 'collected'. This measure is intended to analyse the underlying assumed collection rate for the MTREF to determine the relevance and credibility of the budget assumptions contained in the budget. It can be seen that the outcome is at 100 per cent for each of the respective financial years. Given that the assumed collection rate was based on a 99 per cent performance target, the cash flow statement has been conservatively determined. In addition the risks associated with objections to the valuation roll need to be clarified and hence the conservative approach, also taking into consideration the cash flow challenges experienced in the current financial year. This measure and performance objective will have to be meticulously managed. Should performance with the mid-year review and

adjustments be positive in relation to actual collections of billed revenue, the adjustments budget will be amended.

2.6.4.7 Debt impairment expense as a percentage of billable revenue

With effect from 1 July 2006 RSC levies were abolished and replaced with a transitional replacement grant and the District has limited billable revenue.

2.6.4.8 Capital payments percentage of capital expenditure

The purpose of this measure is to determine whether the timing of payments has been taken into consideration when forecasting the cash position. The municipality aims to keep this as low as possible through strict compliance with the legislative requirement that creditors be paid within 30 days.

2.6.4.9 Borrowing as a percentage of capital expenditure (excluding transfers, grants and contributions)

The purpose of this measurement is to determine the proportion of a municipality's 'own-funded' capital expenditure budget that is being funded from borrowed funds to confirm MFMA compliance. Externally funded expenditure (by transfers/grants and contributions) has been be excluded. No additional borrowings are undertaken.

2.6.4.10 Transfers/grants revenue as a percentage of Government transfers/grants available

The purpose of this measurement is mainly to ensure that all available transfers from national and provincial government have been budgeted for. A percentage less than 100 per cent could indicate that not all grants as contained in the Division of Revenue Act (DoRA) have been budgeted for. The District has budgeted for all transfers.

2.6.4.11 Consumer debtors change (Current and Non-current)

The purpose of these measures are to ascertain whether budgeted reductions in outstanding consumer debtors are realistic. With effect from 1 July 2006 RSC levies were abolished and replaced with a transitional replacement grant and the District has only a few sundry debtors, mostly relating to the renting out of office space.

2.6.4.12 Repairs and maintenance expenditure level

This measure must be considered important within the context of the funding measures criteria because a trend that indicates insufficient funds are being committed to asset repair could also indicate that the overall budget is not credible and/or sustainable in the medium to long term because the revenue budget is not being protected. Details of the District's strategy pertaining to asset management and repairs and maintenance is contained in Table 47 MBRR SA34C.

2.6.4.13 Asset renewal/rehabilitation expenditure level

The District's only infrastructure assets are the office building, Thembisile Fire Station and the Dr JS Moroka Fire Station. This measure has a similar objective to aforementioned objective relating to repairs and maintenance. A requirement of the detailed capital budget (since MFMA Circular 28 which was issued in December 2005) is to categorise each capital project as a new asset or a renewal/rehabilitation project. The objective is to summarise and understand the proportion of budgets being provided for new assets and also asset sustainability. A declining or low level of renewal funding may indicate that a budget is not credible and/or sustainable and future revenue is not being protected, similar to the justification for 'repairs and maintenance' budgets.

2.7 Expenditure on grants and reconciliations of unspent funds

Table 183 MBRR SA19 - Expenditure on transfers and grant programmes

Nkangala District Municipality DC31 - Supporting Table SA19 Expenditure on transfers and grant programme

DC31 Nkangala - Supporting Table SA19 Expenditure on transfers and grant programme

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
EXPENDITURE:	1									
Operating expenditure of Transfers and Grants										
National Government:		330 683	337 235	344 488	348 588	348 588	348 588	359 405	368 176	379 869
Local Government Equitable Share		–	–	19 402	20 973	20 973	20 973	23 791	25 702	27 817
RSC Levy Replacement		326 223	333 667	319 654	322 989	322 989	322 989	332 483	341 474	351 052
Finance Management		1 250	1 250	1 250	1 000	1 000	1 000	1 000	1 000	1 000
Municipal Systems Improvement		930	–		–	–	–	–	–	–
EPWP Incentive		2 280	2 318	4 182	3 626	3 626	3 626	2 131	–	–
Provincial Government:		3 000	–	–	–	–	–	–	–	–
Provincial Treasury Data cleansing		3 000								
Total operating expenditure of Transfers and Grants:		333 683	337 235	344 488	348 588	348 588	348 588	359 405	368 176	379 869
Capital expenditure of Transfers and Grants										
National Government:		2 010	2 076	2 175	2 180	2 180	2 180	2 310	2 442	2 577
Rural Transport Services and Infrastructure		2 010	2 076	2 175	2 180	2 180	2 180	2 310	2 442	2 577
Other grant providers:		–	–	–	–	1 500	1 500	–	–	–
Land - Dr JS Moroka Local Municipality						1 500	1 500			
Total capital expenditure of Transfers and Grants		2 010	2 076	2 175	2 180	3 680	3 680	2 310	2 442	2 577
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		335 693	339 311	346 663	350 768	352 268	352 268	361 715	370 618	382 446

Table 34 MBRR SA 20 - Reconciliation between of transfers, grant receipts and unspent funds

DC31 Nkangala - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Operating transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year										
Current year receipts		330 683	337 235	344 488	348 588	348 588	348 588	359 405	368 176	379 869
Conditions met - transferred to revenue		330 683	337 235	344 488	348 588	348 588	348 588	359 405	368 176	379 869
Conditions still to be met - transferred to liabilities										
Provincial Government:										
Balance unspent at beginning of the year										
Current year receipts		3 000								
Conditions met - transferred to revenue		3 000	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities										
Total operating transfers and grants revenue		333 683	337 235	344 488	348 588	348 588	348 588	359 405	368 176	379 869
Total operating transfers and grants - CTBM	2	–	–	–	–	–	–	–	–	–
Capital transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year										
Current year receipts		2 010	2 076	2 175	2 180	2 180	2 180	2 310	2 442	2 577
Conditions met - transferred to revenue		2 010	2 076	2 175	2 180	2 180	2 180	2 310	2 442	2 577
Conditions still to be met - transferred to liabilities										
Other grant providers:										
Balance unspent at beginning of the year										
Current year receipts						1 500	1 500			
Conditions met - transferred to revenue		–	–	–	–	1 500	1 500	–	–	–
Conditions still to be met - transferred to liabilities										
Total capital transfers and grants revenue		2 010	2 076	2 175	2 180	3 680	3 680	2 310	2 442	2 577
Total capital transfers and grants - CTBM	2	–	–	–	–	–	–	–	–	–
TOTAL TRANSFERS AND GRANTS REVENUE		335 693	339 311	346 663	350 768	352 268	352 268	361 715	370 618	382 446
TOTAL TRANSFERS AND GRANTS - CTBM		–	–	–	–	–	–	–	–	–

2.8 Councillor and employee benefits

Table 35 MBRR SA22 - Summary of councillor and staff benefits

DC31 Nkangala - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
	1	A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		7 874	8 118	8 390	8 398	8 398	8 398	9 349	9 910	10 505
Pension and UIF Contributions		1 201	935	969	1 078	1 078	1 078	1 285	1 362	1 444
Medical Aid Contributions		166	183	220	573	573	573	197	209	222
Motor Vehicle Allowance		3 034	2 760	2 907	2 907	2 907	2 907	3 379	3 582	3 797
Cellphone Allowance		607	592	1 033	542	542	542	898	951	1 009
Housing Allowances		–	–	–	–	–	–	–	–	–
Other benefits and allowances		–	–	–	–	–	–	–	–	–
Sub Total - Councillors		12 882	12 587	13 520	13 498	13 498	13 498	15 108	16 015	16 975
% increase	4		(2.3%)	7.4%	(0.2%)	0.0%	–	11.9%	6.0%	6.0%
Senior Managers of the Municipality	2									
Basic Salaries and Wages		4 516	4 556	4 223	6 359	6 359	6 359	7 908	8 145	8 308
Pension and UIF Contributions		544	580	444	479	479	479	1 316	1 355	1 382
Medical Aid Contributions		137	125	49	92	92	92	54	56	57
Overtime		–	–	–	–	–	–			
Performance Bonus		259	297	203	605	605	605			
Motor Vehicle Allowance	3	564	594	624	481	481	481	623	642	654
Cellphone Allowance	3	144	132	129	158	158	158	115	118	121
Housing Allowances	3	–	–	6	–	–	–			
Other benefits and allowances	3	32	25	191	121	121	121	84	86	88
Payments in lieu of leave		300	808	230	289	289	289			
Long service awards		–	–	–	–	–	–			
Post-retirement benefit obligations	6	–	–	–	–	–	–			
Sub Total - Senior Managers of Municipality		6 498	7 117	6 098	8 583	8 583	8 583	10 099	10 402	10 610
% increase	4		9.5%	(14.3%)	40.7%	0.0%	–	17.7%	3.0%	2.0%
Other Municipal Staff										
Basic Salaries and Wages		50 835	63 278	71 531	81 039	81 039	81 039	93 743	96 555	98 486
Pension and UIF Contributions		8 148	10 419	12 446	14 224	14 224	14 224	18 923	19 491	19 881
Medical Aid Contributions		6 964	7 788	6 510	11 197	11 197	11 197	10 869	11 195	11 419
Overtime		2 680	2 982	4 215	5 540	5 540	5 540	250	258	263
Performance Bonus		2 715	4 284	5 700	6 617	6 617	6 617	6 835	7 040	7 181
Motor Vehicle Allowance	3	5 886	9 020	9 426	10 184	10 184	10 184	8 735	8 997	9 177
Cellphone Allowance	3	1 090	1 192	1 203	1 336	1 336	1 336	1 267	1 305	1 331
Housing Allowances	3	331	436	538	470	470	470	593	611	623
Other benefits and allowances	3	–	–	–	–	–	–	1 062	1 094	1 116
Payments in lieu of leave		2 727	952	3 408	4 343	4 343	4 343	12	12	12
Long service awards		1 389	487	1 109	–	–	–	–	–	–
Post-retirement benefit obligations	6	795	586	1 244	756	756	756	–	–	–
Sub Total - Other Municipal Staff		83 562	101 423	117 330	135 704	135 704	135 704	142 290	146 559	149 490
% increase	4		21.4%	15.7%	15.7%	0.0%	–	4.9%	3.0%	2.0%
Total Parent Municipality		102 942	121 127	136 947	157 785	157 786	157 786	167 497	172 976	177 076
			17.7%	13.1%	15.2%	0.0%	–	6.2%	3.3%	2.4%
TOTAL SALARY, ALLOWANCES & BENEFITS		102 942	121 127	136 947	157 785	157 786	157 786	167 497	172 976	177 076
% increase	4		17.7%	13.1%	15.2%	0.0%	–	6.2%	3.3%	2.4%
TOTAL MANAGERS AND STAFF	5,7	90 060	108 540	123 428	144 287	144 287	144 287	152 389	156 961	160 100

Table 36 MBRR SA23 - Salaries, allowances and benefits (political office bearers/councillors/ senior managers)

DC31 Nkangala - Supporting Table SA23 Salaries, allowances & benefits (political office bearers/councillors/senior managers)

Disclosure of Salaries, Allowances & Benefits 1.	Ref	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum				1.				2.
Councillors	3							
Speaker	4		533 308	106 971	458 226			1 098 505
Chief Whip			536 083	64 178	240 887			841 148
Executive Mayor			895 304	31 908	180 720			1 107 932
Deputy Executive Mayor								–
Executive Committee			2 925 697	675 870	1 445 320			5 046 887
Total for all other councillors			4 458 683	603 495	1 951 461			7 013 639
Total Councillors	8	–	9 349 075	1 482 422	4 276 614			15 108 111
Senior Managers of the Municipality	5							
Municipal Manager (MM)			1 252 409	241 614	159 600			1 653 623
Chief Finance Officer			1 471 894	249 336	153 600			1 874 830
List of each offical with packages >= senior manager								
General Manager Corporate services			1 279 908	173 767	56 000			1 509 675
General Manager Social services			1 270 455	244 969	211 501			1 726 925
General Manager PED			1 279 908	321 281	72 000			1 673 189
General Manager Technical Services			1 279 908	296 240	85 000			1 661 148
Total Senior Managers of the Municipality	8,10	–	7 834 482	1 527 207	737 701	–		10 099 390
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	10	–	17 183 557	3 009 629	5 014 315	–		25 207 501

Table 37 MBRR SA24 – Summary of personnel numbers

DC31 Nkangala - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers	Ref	2017/18			Current Year 2018/19			Budget Year 2019/20		
Number	1,2	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities										
Councillors (Political Office Bearers plus Other Councillors)		56		56	56	–	56	56	–	56
Board Members of municipal entities	4	–	–	–				–	–	–
Municipal employees	5									
Municipal Manager and Senior Managers	3	6		6	6	–	6	6	–	6
Other Managers	7	37	27	10	37	27	10	35	–	35
Professionals		*63*	*53*	*10*	*63*	*53*	*10*	*63*	*63*	–
Finance		33	27	6	33	27	6	23	23	–
Spatial/town planning		16	12	4	16	12	4	9	9	–
Information Technology		6	6	–	6	6	–	6	6	–
Roads										
Electricity										
Water										
Sanitation										
Refuse										
Other		8	8	–	8	8	–	25	25	–
Technicians		–	–	–	*17*	*12*	*5*	*7*	*7*	–
Finance										
Spatial/town planning								1	1	–
Information Technology										
Roads								3	3	–
Electricity										
Water								3	3	–
Sanitation										
Refuse										
Other					17	12	5			
Clerks (Clerical and administrative)		39	32	7	39	32	7	38	38	–
Service and sales workers		123	120	3	123	120	3	134	134	–
Skilled agricultural and fishery workers					–	–	–			
Craft and related trades										
Plant and Machine Operators										
Elementary Occupations										
TOTAL PERSONNEL NUMBERS	9	324	232	92	341	244	97	339	242	97
% increase					5.2%	5.2%	5.4%	(0.6%)	(0.8%)	–

2.9 Monthly targets for revenue, expenditure and cash flow

Table 38 MBRR SA25 - Budgeted monthly revenue by source and expenditure by type

DC31 Nkangala - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2019/20												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Revenue By Source																
Property rates		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Service charges - electricity revenue		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Service charges - water revenue		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Service charges - refuse revenue		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rental of facilities and equipment													–	–	–	–
Interest earned - external investments		2,030	1,955	2,137	2,228	2,525	1,820	2,135	2,540	2,650	2,055	2,135	1,240	25,450	23,460	21,470
Interest earned - outstanding debtors		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Dividends received		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits		–	70	–	20	25	15	–	25	20	50	25	550	800	760	720
Licences and permits		70	80	95	110	70	65	90	45	85	88	84	78	960	1,020	1,080
Agency services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers and subsidies		148,448	1,534	–	–	959	118,758	–	639	89,068	–	–	–	359,405	368,176	379,869
Other revenue		15	5	25	5	35	5	5	35	5	35	5	185	365	381	397
Gains on disposal of PPE		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributi		**150,563**	**3,644**	**2,257**	**2,363**	**3,614**	**120,663**	**2,230**	**3,284**	**91,828**	**2,228**	**2,249**	**2,053**	**386,980**	**393,797**	**403,536**
Expenditure By Type																
Employee related costs		12,699	12,699	12,699	12,699	12,699	12,699	12,699	12,699	12,699	12,699	12,699	12,699	152,389	156,961	160,100
Remuneration of councillors		1,259	1,259	1,259	1,259	1,259	1,259	1,259	1,259	1,259	1,259	1,259	1,259	15,108	16,015	16,975
Debt impairment		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Depreciation & asset impairment		1,345	1,345	1,345	1,345	1,345	1,345	1,345	1,345	1,345	1,345	1,345	1,345	16,139	14,948	12,925
Finance charges		14	14	14	14	14	14	14	14	14	14	14	14	174	21	–
Bulk purchases		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other materials		732	676	757	603	648	591	461	695	681	638	576	963	8,022	9,119	9,741
Contracted services		4,956	5,033	5,820	4,191	5,266	3,212	5,369	4,001	4,299	4,586	3,665	8,118	58,516	56,647	60,226
Transfers and subsidies		8,126	12,156	13,845	14,958	11,378	21,219	13,500	11,806	12,133	16,943	10,746	8,612	155,421	135,659	97,060
Other expenditure		3,947	4,671	4,078	3,414	3,947	3,613	3,466	4,461	4,257	5,542	5,084	8,883	55,362	59,177	63,197
Loss on disposal of PPE		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Expenditure		**33,078**	**37,854**	**39,817**	**38,483**	**36,557**	**43,952**	**38,112**	**36,280**	**36,688**	**43,027**	**35,389**	**41,894**	**461,131**	**448,547**	**420,224**
Surplus/(Deficit)		**117,485**	**(34,210)**	**(37,559)**	**(36,120)**	**(32,943)**	**76,711**	**(35,882)**	**(32,996)**	**55,140**	**(40,799)**	**(33,140)**	**(39,840)**	**(74,151)**	**(54,750)**	**(16,688)**
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		1,617	–	–	–	–	–	–	693	–	–	–	–	2,310	2,442	2,577
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (in-kind - all)													–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		**119,102**	**(34,210)**	**(37,559)**	**(36,120)**	**(32,943)**	**76,711**	**(35,882)**	**(32,303)**	**55,140**	**(40,799)**	**(33,140)**	**(39,840)**	**(71,841)**	**(52,308)**	**(14,111)**
Taxation		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Attributable to minorities		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Share of surplus/ (deficit) of associate		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit)	1	**119,102**	**(34,210)**	**(37,559)**	**(36,120)**	**(32,943)**	**76,711**	**(35,882)**	**(32,303)**	**55,140**	**(40,799)**	**(33,140)**	**(39,840)**	**(71,841)**	**(52,308)**	**(14,111)**

Table 39 MBRR SA26 - Budgeted monthly revenue and expenditure (municipal vote)

DC31 Nkangala - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

Description	Ref	Budget Year 2019/20												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Revenue by Vote																
Vote 1 - Municipal Manager		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 2 - Chief Finance Officer		152,110	2,960	2,162	2,233	2,560	120,583	2,140	3,268	91,723	2,090	2,140	1,875	385,849	394,859	404,663
Vote 3 - GM Corporate services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 4 - GM Social Services		70	150	95	130	95	80	90	70	105	138	109	178	1,310	1,380	1,450
Vote 5 - GM Planning & Economic Development		–	534	–	–	959	–	–	639	–	–	–	–	2,131	–	–
Vote 6 - GM Technical Services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Revenue by Vote		**152,180**	**3,644**	**2,257**	**2,363**	**3,614**	**120,663**	**2,230**	**3,977**	**91,828**	**2,228**	**2,249**	**2,053**	**389,290**	**396,239**	**406,113**
Expenditure by Vote to be appropriated																
Vote 1 - Municipal Manager		6,919	7,178	7,799	6,030	6,618	12,562	8,519	6,352	6,728	5,950	9,634	15,033	99,322	97,922	97,649
Vote 2 - Chief Finance Officer		2,910	3,215	3,562	3,086	3,024	1,885	1,931	2,204	2,180	4,113	1,947	2,082	32,140	33,214	34,198
Vote 3 - GM Corporate services		4,409	4,228	4,534	4,128	4,286	4,695	4,397	4,365	4,834	4,115	5,716	4,866	54,573	57,329	59,703
Vote 4 - GM Social Services		9,112	9,122	9,116	8,495	8,676	9,178	7,891	9,717	8,947	11,166	8,632	9,865	109,920	112,735	113,130
Vote 5 - GM Planning & Economic Development		3,355	4,434	2,776	3,763	4,004	4,853	2,392	2,564	4,170	2,421	1,984	2,360	39,076	33,713	42,062
Vote 6 - GM Technical Services		6,373	9,677	12,030	12,982	9,947	10,779	12,982	11,079	9,827	15,262	7,474	7,687	126,100	113,634	73,483
Total Expenditure by Vote		**33,078**	**37,854**	**39,817**	**38,483**	**36,557**	**43,952**	**38,112**	**36,280**	**36,688**	**43,027**	**35,389**	**41,894**	**461,131**	**448,547**	**420,224**
Surplus/(Deficit) before assoc.		**119,102**	**(34,210)**	**(37,559)**	**(36,120)**	**(32,943)**	**76,711**	**(35,882)**	**(32,303)**	**55,140**	**(40,799)**	**(33,140)**	**(39,840)**	**(71,841)**	**(52,308)**	**(14,111)**
Taxation		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Attributable to minorities		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Share of surplus/ (deficit) of associate		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit)	1	**119,102**	**(34,210)**	**(37,559)**	**(36,120)**	**(32,943)**	**76,711**	**(35,882)**	**(32,303)**	**55,140**	**(40,799)**	**(33,140)**	**(39,840)**	**(71,841)**	**(52,308)**	**(14,111)**

Table 40 MBRR SA27 - Budgeted monthly revenue and expenditure (standard classification)

DC31 Nkangala - Supporting Table SA27 Budgeted monthly revenue and expenditure (functional classification)

Description	Ref	Budget Year 2019/20												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Revenue - Functional																
Governance and administration		152,110	2,960	2,162	2,233	2,560	120,583	2,140	3,268	91,723	2,090	2,140	1,875	385,849	394,859	404,663
Executive and council		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Finance and administration		152,110	2,960	2,162	2,233	2,560	120,583	2,140	3,268	91,723	2,090	2,140	1,875	385,849	394,859	404,663
Internal audit		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Community and public safety		50	90	80	110	60	65	70	40	100	80	95	60	900	950	1,000
Community and social services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Sport and recreation		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Public safety		–	20	–	20	–	15	–	–	20	–	25	–	100	100	100
Housing		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Health		50	70	80	90	60	50	70	40	80	80	70	60	800	850	900
Economic and environmental services		20	594	15	20	994	15	20	669	5	58	14	118	2,541	430	450
Planning and development		–	534	–	–	959	–	–	639	–	–	–	–	2,131	–	–
Road transport		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Environmental protection		20	60	15	20	35	15	20	30	5	58	14	118	410	430	450
Trading services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Energy sources		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Water management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Waste management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other													–	–	–	–
Total Revenue - Functional		152,180	3,644	2,257	2,363	3,614	120,663	2,230	3,977	91,828	2,228	2,249	2,053	389,290	396,239	406,113
Expenditure - Functional																
Governance and administration		13,771	14,199	14,117	12,844	13,507	18,788	14,492	12,409	13,321	13,779	16,877	21,447	179,550	184,030	188,243
Executive and council		2,939	3,671	2,917	2,902	2,895	2,869	2,842	2,983	3,140	2,891	2,895	3,005	35,951	38,030	39,875
Finance and administration		10,127	9,851	10,494	9,257	9,958	15,360	11,072	8,658	9,528	10,254	9,689	17,658	131,905	133,974	135,422
Internal audit		705	676	706	685	653	559	578	768	653	634	4,293	784	11,694	12,026	12,947
Community and public safety		8,773	8,789	8,779	8,165	8,343	8,854	7,567	9,371	8,614	10,836	8,299	9,516	105,908	108,059	108,911
Community and social services		3,118	3,271	3,165	2,742	2,800	3,572	2,245	3,536	3,051	3,083	2,741	3,490	36,813	40,030	41,164
Sport and recreation		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Public safety		3,134	3,063	3,126	3,000	3,088	2,924	2,964	3,250	3,108	5,330	3,103	3,408	39,497	37,119	35,798
Housing		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Health		2,521	2,456	2,488	2,423	2,456	2,359	2,359	2,585	2,456	2,423	2,456	2,618	29,598	30,910	31,950
Economic and environmental services		10,519	14,775	16,547	17,433	14,694	16,223	16,045	14,222	14,660	18,201	10,084	10,910	174,314	154,973	121,650
Planning and development		10,179	14,441	16,211	17,103	14,361	15,899	15,721	13,876	14,327	17,871	9,751	10,562	170,303	150,298	117,432
Road transport		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Environmental protection		340	333	336	330	333	324	324	346	333	330	333	349	4,012	4,676	4,219
Trading services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Energy sources		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Water management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Waste management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other		16	92	373	41	12	87	8	278	92	211	129	20	1,358	1,484	1,420
Total Expenditure - Functional		33,078	37,854	39,817	38,483	36,557	43,952	38,112	36,280	36,688	43,027	35,389	41,894	461,131	448,547	420,224
Surplus/(Deficit) before assoc.		119,102	(34,210)	(37,559)	(36,120)	(32,943)	76,711	(35,882)	(32,303)	55,140	(40,799)	(33,140)	(39,840)	(71,841)	(52,308)	(14,111)
Share of surplus/ (deficit) of associate		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit)	1	119,102	(34,210)	(37,559)	(36,120)	(32,943)	76,711	(35,882)	(32,303)	55,140	(40,799)	(33,140)	(39,840)	(71,841)	(52,308)	(14,111)

Table 41 MBRR SA28 - Budgeted monthly capital expenditure (municipal vote)

DC31 Nkangala - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)																
Description	Ref	Budget Year 2019/20												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Single-year expenditure *to be appropriated*																
Vote 1 - Municipal Manager		–	500	300	–	–	500	–	300	–	500	–	12,400	14,500	10,600	11,000
Vote 2 - Chief Finance Officer		–	–	–	–	70	–	–	–	–	–	–	–	70	75	80
Vote 3 - GM Corporate services		2,000	3,000	2,900	350	300	–	300	60	300	–	400	400	10,010	2,060	2,060
Vote 4 - GM Social Services		150	200	1,700	550	700	2,700	4,000	–	–	–	–	120	10,120	17,953	11,450
Vote 5 - GM Planning & Economic Development		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 6 - GM Technical Services		–	–	–	–	1,900	–	–	–	–	–	–	–	1,900	–	–
Capital single-year expenditure sub-total	2	**2,150**	**3,700**	**4,900**	**900**	**2,970**	**3,200**	**4,300**	**360**	**300**	**500**	**400**	**12,920**	**36,600**	**30,688**	**24,590**
Total Capital Expenditure	2	**2,150**	**3,700**	**4,900**	**900**	**2,970**	**3,200**	**4,300**	**360**	**300**	**500**	**400**	**12,920**	**36,600**	**30,688**	**24,590**

Table 42 MBRR SA29 - Budgeted monthly capital expenditure (standard classification)

DC31 Nkangala - Supporting Table SA29 Budgeted monthly capital expenditure (functional classification)																
Description	Ref	Budget Year 2019/20												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Capital Expenditure - Functional	1															
Governance and administration		2,000	3,500	3,700	350	1,470	500	2,200	360	2,300	500	400	7,300	24,580	12,735	13,140
Executive and council		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Finance and administration		2,000	3,500	3,700	350	1,470	500	2,200	360	2,300	500	400	7,300	24,580	12,735	13,140
Internal audit		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Community and public safety		150	200	1,700	550	700	2,700	4,000	–	–	–	–	120	10,120	17,953	11,450
Community and social services		–	–	–	200	300	750	2,300	–	–	–	–	–	3,550	10,500	10,000
Sport and recreation		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Public safety		150	200	300	350	400	1,750	1,700	–	–	–	–	–	4,850	6,353	–
Housing		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Health		–	–	1,400	–	–	200	–	–	–	–	–	120	1,720	1,100	1,450
Economic and environmental services		–	–	–	–	1,900	–	–	–	–	–	–	–	1,900	–	–
Planning and development		–	–	–	–	1,900	–	–	–	–	–	–	–	1,900	–	–
Road transport		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Environmental protection		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Capital Expenditure - Functional	2	2,150	3,700	5,400	900	4,070	3,200	6,200	360	2,300	500	400	7,420	36,600	30,688	24,590
Funded by:																
National Government		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Provincial Government		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
District Municipality		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other transfers and grants		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers recognised - capital		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Borrowing		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Internally generated funds		2,150	3,700	5,400	900	4,070	3,200	6,200	360	2,300	500	400	7,420	36,600	30,688	24,590
Total Capital Funding		2,150	3,700	5,400	900	4,070	3,200	6,200	360	2,300	500	400	7,420	36,600	30,688	24,590

Table 43 MBRR SA30 - Budgeted monthly cash flow

DC31 Nkangala - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2019/20												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Cash Receipts By Source													1		
Property rates	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Service charges - electricity revenue	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Service charges - water revenue	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Service charges - refuse revenue	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rental of facilities and equipment												–			
Interest earned - external investments	2,030	1,955	2,137	2,228	2,525	1,820	2,135	2,540	2,650	2,055	2,135	1,240	25,450	23,460	21,470
Interest earned - outstanding debtors	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Dividends received	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits	–	70	–	20	25	15	–	25	20	50	25	550	800	760	720
Licences and permits	70	80	95	110	70	65	90	45	85	88	84	78	960	1,020	1,080
Agency services	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfer receipts - operational	148,448	1,534	–	–	959	118,758	–	639	89,068	–	–	–	359,405	368,176	379,869
Other revenue	15	5	25	5	35	5	5	35	5	35	5	185	365	381	397
Cash Receipts by Source	**150,563**	**3,644**	**2,257**	**2,363**	**3,614**	**120,663**	**2,230**	**3,284**	**91,828**	**2,228**	**2,249**	**2,053**	**386,980**	**393,797**	**403,536**
Other Cash Flows by Source															
Transfer receipts - capital	1,617	–	–	–	–	–	–	693	–	–	–	–	2,310	2,442	2,577
Decrease (increase) in non-current investments	–	–	–	–	–	–	–	–	–	–	–	(5,051)	(5,051)	(5,402)	(5,942)
Total Cash Receipts by Source	**152,180**	**3,644**	**2,257**	**2,363**	**3,614**	**120,663**	**2,230**	**3,977**	**91,828**	**2,228**	**2,249**	**(2,998)**	**384,239**	**390,837**	**400,171**
Cash Payments by Type															
Employee related costs	12,699	12,699	12,699	12,699	12,699	12,699	12,699	12,699	12,699	12,699	12,699	12,699	152,389	156,961	160,100
Remuneration of councillors	1,259	1,259	1,259	1,259	1,259	1,259	1,259	1,259	1,259	1,259	1,259	1,259	15,108	16,015	16,975
Finance charges	14	14	14	14	14	14	14	14	14	14	14	14	174	21	–
Bulk purchases - Electricity	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Bulk purchases - Water & Sewer	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other materials	732	676	757	603	648	591	461	695	681	638	576	963	8,022	9,119	9,741
Contracted services	4,956	5,033	5,820	4,191	5,266	3,212	5,369	4,001	4,299	4,586	3,665	8,118	58,516	56,647	60,226
Transfers and grants - other municipalities	8,126	12,156	13,845	14,958	11,378	21,219	13,500	11,806	12,133	16,943	10,746	8,612	155,421	135,659	97,060
Transfers and grants - other	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other expenditure	3,947	4,671	4,078	3,414	3,947	3,613	3,466	4,461	4,257	5,542	5,084	9,092	55,571	59,177	63,197
Cash Payments by Type	**31,733**	**36,509**	**38,472**	**37,138**	**35,212**	**42,607**	**36,767**	**34,935**	**35,343**	**41,682**	**34,044**	**40,758**	**445,201**	**433,599**	**407,300**
Other Cash Flows/Payments by Type															
Capital assets	2,150	3,700	4,900	900	2,970	3,200	4,300	360	300	500	400	12,920	36,600	30,688	24,590
Repayment of borrowing	(40)	(40)	(1,491)	(40)	(40)	(40)	(40)	(40)	(40)	(40)	(40)	4,370	2,480	820	750
Other Cash Flows/Payments	–	–	–	–	–	–	–	–	–	–	–	(60,127)	(60,127)	(256)	806
Total Cash Payments by Type	**33,843**	**40,169**	**41,881**	**37,998**	**38,142**	**45,767**	**41,027**	**35,255**	**35,603**	**42,142**	**34,404**	**(2,079)**	**424,154**	**464,851**	**433,446**
NET INCREASE/(DECREASE) IN CASH HELD	**118,337**	**(36,525)**	**(39,624)**	**(35,635)**	**(34,528)**	**74,896**	**(38,797)**	**(31,278)**	**56,225**	**(39,914)**	**(32,155)**	**(919)**	**(39,915)**	**(74,013)**	**(33,275)**
Cash/cash equivalents at the month/year begin:	379,237	497,574	461,049	421,426	385,791	351,263	426,159	387,362	356,085	412,310	372,396	340,241	379,237	339,322	265,309
Cash/cash equivalents at the month/year end:	497,574	461,049	421,426	385,791	351,263	426,159	387,362	356,085	412,310	372,396	340,241	339,322	339,322	265,309	232,034

Table 44 MBRR SA34a – Capital expenditure on new assets by class

DC31 Nkangala - Supporting Table SA34a Capital expenditure on new assets by asset class										
Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		**1,182**	–	–	–	**300**	**300**	**7,100**	**6,600**	**7,000**
Roads Infrastructure		186	–	–	–	–	–	–	–	–
Roads		186	–	–	–	–	–	–	–	–
Electrical Infrastructure		996	–	–	–	–	–	–	–	–
MV Networks		996	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	300	300	7,100	6,600	7,000
Data Centres		–	–	–		300	300	5,600	5,100	6,000
Core Layers		–	–	–	–	–	–	1,500	1,500	1,000
Distribution Layers		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Community Assets		**–**	**27,296**	**2,286**	**9,000**	**2,500**	**2,500**	**2,560**	**3,560**	**60**
Community Facilities		–	27,296	2,286	9,000	2,500	2,500	2,560	3,560	60
Fire/Ambulance Stations		–	27,296	2,286	9,000	2,500	2,500	2,500	3,500	–
Libraries								60	60	60
Heritage assets		–	509	–	–	–	–	–	–	–
Other Heritage		–	509	–	–	–	–	–	–	–
Other assets		**8,324**	–	**3,939**	**12,400**	**9,947**	**9,947**	**13,000**	**11,750**	**12,450**
Operational Buildings		8,324	–	3,939	12,400	9,947	9,947	13,000	11,750	12,450
Municipal Offices		8,324		3,939	12,400	9,947	9,947	13,000	11,750	12,450
Intangible Assets		265	–	1,000	1,850	3,850	3,850	7,000	3,000	3,000
Servitudes										
Licences and Rights		265	–	1,000	1,850	3,850	3,850	7,000	3,000	3,000
Computer Software and Applications		265	–	1,000	1,850	3,850	3,850	7,000	3,000	3,000
Load Settlement Software Applications		–	–	–	–	–	–	–	–	–
Unspecified		–	–	–	–	–	–	–	–	–
Computer Equipment		491	762	7,578	2,800	2,873	2,873	1,500	2,500	2,000
Computer Equipment		491	762	7,578	2,800	2,873	2,873	1,500	2,500	2,000
Furniture and Office Equipment		7,030	1,022	2,748	1,398	1,479	1,479	1,490	1,463	80
Furniture and Office Equipment		7,030	1,022	2,748	1,398	1,479	1,479	1,490	1,463	80
Machinery and Equipment		3,419	877	925	4,100	3,426	3,426	850	1,815	–
Machinery and Equipment		3,419	877	925	4,100	3,426	3,426	850	1,815	–
Transport Assets		8,471	4,338	3,144	1,700	4,872	4,872	3,100	–	–
Transport Assets		8,471	4,338	3,144	1,700	4,872	4,872	3,100	–	–
Land		–	–	–	–	1,500	1,500	–	–	–
Land		–	–	–	–	1,500	1,500	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Total Capital Expenditure on new assets	1	**29,181**	**34,803**	**21,621**	**33,248**	**30,746**	**30,746**	**36,600**	**30,688**	**24,590**

Table 45 MBRR SA34c – Repairs & Maintenance by asset class

DC31 Nkangala - Supporting Table SA34c Repairs and maintenance expenditure by asset class										
Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		–	–	**2,849**	–	**2,328**	**2,328**	**2,000**	**300**	–
Sanitation Infrastructure		–	–	–	–	1,828	1,828	1,500	–	–
Toilet Facilities		–	–	–	–	1,828	1,828	1,500	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	2,849	–	500	500	500	300	–
Data Centres		–	–	2,849	–	–	–	–	–	–
Core Layers		–	–	–	–	500	500	500	300	–
Distribution Layers		–	–	–	–	–	–	–	–	–
Other assets		**6,721**	**2,779**	**2,870**	**6,963**	**4,438**	**4,438**	**4,491**	**4,165**	**4,600**
Operational Buildings		6,721	2,779	2,870	6,963	4,438	4,438	4,491	4,165	4,600
Municipal Offices		6,721	2,779	2,870	6,963	4,438	4,438	4,491	4,165	4,600
Pay/Enquiry Points		–	–	–	–	–	–	–	–	–
Intangible Assets		–	–	4,447	6,515	7,325	7,325	8,397	8,641	9,709
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	4,447	6,515	7,325	7,325	8,397	8,641	9,709
Computer Software and Applications		–	–	4,447	6,402	7,212	7,212	8,397	8,641	9,709
Unspecified		–	–	–	114	114	114	–	–	–
Computer Equipment		–	237	44	–	–	–	4,697	4,948	4,950
Computer Equipment		–	237	44	–	–	–	4,697	4,948	4,950
Furniture and Office Equipment		–	144	150	530	530	530	595	666	678
Furniture and Office Equipment		–	144	150	530	530	530	595	666	678
Machinery and Equipment		–	1,007	1,004	6,110	7,289	7,289	1,636	1,582	1,720
Machinery and Equipment		–	1,007	1,004	6,110	7,289	7,289	1,636	1,582	1,720
Transport Assets		–	676	1,743	1,441	1,851	1,851	1,954	1,482	190
Transport Assets		–	676	1,743	1,441	1,851	1,851	1,954	1,482	190
Land		–	–	–	–	–	–	–	–	–
Land		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Total Repairs and Maintenance Expenditure	1	**6,721**	**4,844**	**13,106**	**21,560**	**23,762**	**23,762**	**23,771**	**21,783**	**21,848**
R&M as a % of PPE		*5.0%*	*3.0%*	*7.9%*	*10.9%*	*12.0%*	*12.0%*	*14.5%*	*11.4%*	*10.7%*
R&M as % Operating Expenditure		*1.9%*	*1.3%*	*3.3%*	*4.8%*	*5.3%*	*5.3%*	*10.9%*	*4.7%*	*4.9%*

Table 46 MBRR SA34d – Depreciation by asset class

DC31 Nkangala - Supporting Table SA34d Depreciation by asset class

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Depreciation by Asset Class/Sub-class										
Infrastructure		358	363	516	496	957	957	862	752	546
Roads Infrastructure		277	282	93	84	194	194	84	70	22
Road Structures		277	282	93	84	194	194	84	70	22
Storm water Infrastructure		–	–	216	198	419	419	419	388	231
Storm water Conveyance				216	198	419	419	419	388	231
Electrical Infrastructure		81	81	93	81	226	226	226	226	226
MV Networks		81	81	93	81	226	226	226	226	226
Information and Communication Infrastructure		–	–	114	134	114	114	126	61	61
Data Centres				114		114	114	66	1	1
Distribution Layers					134	–	–	60	60	60
Community Assets		–	–	671	571	1 736	1 736	1 736	1 736	1 736
Community Facilities		–	–	671	571	1 736	1 736	1 736	1 736	1 736
Fire/Ambulance Stations		–	–	671	571	1 736	1 736	1 736	1 736	1 736
Other assets		2 773	2 463	1 942	1 939	1 990	1 990	1 990	1 990	1 989
Operational Buildings		2 773	2 463	1 942	1 939	1 990	1 990	1 990	1 990	1 989
Municipal Offices		2 773	2 463	1 942	1 939	1 990	1 990	1 990	1 990	1 989
Intangible Assets		173	92	103	92	1 188	1 188	1 573	1 569	1 560
Servitudes										
Licences and Rights		173	92	103	92	1 188	1 188	1 573	1 569	1 560
Computer Software and Applications		173	92	103	92	1 188	1 188	1 573	1 569	1 560
Computer Equipment		1 010	909	1 090	939	1 103	1 103	920	722	650
Computer Equipment		1 010	909	1 090	939	1 103	1 103	920	722	650
Furniture and Office Equipment		1 028	628	729	449	1 051	1 051	1 429	1 346	918
Furniture and Office Equipment		1 028	628	729	449	1 051	1 051	1 429	1 346	918
Machinery and Equipment		955	1 327	1 411	1 263	3 255	3 255	3 391	3 365	2 852
Machinery and Equipment		955	1 327	1 411	1 263	3 255	3 255	3 391	3 365	2 852
Transport Assets		3 268	3 828	4 111	3 631	4 246	4 246	4 237	3 467	2 673
Transport Assets		3 268	3 828	4 111	3 631	4 246	4 246	4 237	3 467	2 673
Total Depreciation	1	9 566	9 609	10 573	9 380	15 526	15 526	16 139	14 948	12 925

Table 47 MBRR SA35 – Future financial implications of the capital budget

DC31 Nkangala - Supporting Table SA35 Future financial implications of the capi				
Vote Description	Ref	2019/20 Medium Term Revenue & Expenditure Framework		
R thousand		Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Capital expenditure	1			
Vote 1 - Municipal Manager		14 100	10 600	11 000
Vote 2 - Chief Finance Officer		70	75	80
Vote 3 - GM Corporate services		10 010	2 060	2 060
Vote 4 - GM Social Services		10 120	17 953	11 450
Vote 5 - GM Planning & Economic Development		–	–	–
Vote 6 - GM Technical Services		1 900	–	–
Total Capital Expenditure		36 200	30 688	24 590
Future operational costs by vote	2			
Vote 1 - Municipal Manager		2 115	1 908	2 750
Vote 2 - Chief Finance Officer		11	14	20
Vote 3 - GM Corporate services		1 502	371	515
Vote 4 - GM Social Services		1 518	3 232	2 863
Vote 5 - GM Planning & Economic Development		–	–	–
Vote 6 - GM Technical Services		285	–	–
Total future operational costs		5 430	5 524	6 148
Net Financial Implications		41 630	36 212	30 738

Table 48 MBRR SA1 – Supporting detail to budgeted financial performance

DC31 Nkangala - Supporting Table SA1 Supportinging detail to 'Budgeted Financial Performance'											
Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand											
REVENUE ITEMS:											
Other Revenue by source											
Other Revenue		843	2,537	685	266	1,460	1,460	1,567	365	381	397
Total 'Other' Revenue	1	**843**	**2,537**	**685**	**266**	**1,460**	**1,460**	**1,567**	**365**	**381**	**397**
EXPENDITURE ITEMS:											
Employee related costs											
Basic Salaries and Wages	2	55,352	67,834	75,753	105,446	106,200	106,200	56,807	124,645	128,384	130,952
Pension and UIF Contributions		8,693	10,999	12,890	491	476	476	9,774	450	464	473
Medical Aid Contributions		7,101	7,913	6,559	11,197	6,984	6,984	4,786	10,869	11,195	11,419
Overtime		2,680	2,982	4,215	5,540	5,831	5,831	3,185	250	258	263
Performance Bonus		2,975	4,580	5,903	6,617	6,527	6,527	3,696	6,835	7,040	7,181
Motor Vehicle Allowance		6,450	9,614	10,051	10,184	11,110	11,110	8,248	8,735	8,997	9,177
Cellphone Allowance		1,234	1,324	1,332	–	–	–	985	–	–	–
Housing Allowances		331	436	543	470	651	651	426	593	611	623
Other benefits and allowances		828	25	191	0	0	0	133	–	–	–
Payments in lieu of leave		3,028	1,760	3,637	4,343	4,343	4,343	–	12	12	12
Long service awards		1,389	487	1,109	–	1,241	1,241	423	–	–	–
Post-retirement benefit obligations	4	–	586	1,244	–	–	–	533	–	–	–
sub-total	5	**90,060**	**108,540**	**123,428**	**144,287**	**143,364**	**143,364**	**88,996**	**152,389**	**156,961**	**160,100**
Less: Employees costs capitalised to PPE		–	–	–	–	–	–	–	–	–	–
Total Employee related costs	1	**90,060**	**108,540**	**123,428**	**144,287**	**143,364**	**143,364**	**88,996**	**152,389**	**156,961**	**160,100**
Depreciation & asset impairment											
Depreciation of Property, Plant & Equipment		9,566	9,609	10,573	9,288	14,338	14,338	10,405	16,139	14,948	12,925
Lease amortisation		–	–	–	92	1,188	1,188	–	–	–	–
Capital asset impairment		–	–	–	–	–	–	–	–	–	–
Depreciation resulting from revaluation of PPE	10	–	–	–	–	–	–	–	–	–	–
Total Depreciation & asset impairment	1	**9,566**	**9,609**	**10,573**	**9,380**	**15,526**	**15,526**	**10,405**	**16,139**	**14,948**	**12,925**
Transfers and grants											
Cash transfers and grants		–	–	–	–	–	–	–	–	–	–
Non-cash transfers and grants		177,349	162,301	176,411	167,509	166,623	166,623	62,382	155,421	135,659	97,060
Total transfers and grants	1	**177,349**	**162,301**	**176,411**	**167,509**	**166,623**	**166,623**	**62,382**	**155,421**	**135,659**	**97,060**
Contracted services											
List services provided by contract					54,294			26,220			
Outsourced Service		6,916	6,322	5,229		6,592	6,592	–	5,599	2,761	2,817
Professional services		14,261	13,354	13,560		15,934	15,934	–	19,899	18,781	21,202
Contractors		9,669	14,250	19,649		31,811	31,811	–	33,018	35,105	36,208
sub-total	1	**30,847**	**33,926**	**38,438**	**54,294**	**54,337**	**54,337**	**26,220**	**58,516**	**56,647**	**60,226**
Total contracted services		**30,847**	**33,926**	**38,438**	**54,294**	**54,337**	**54,337**	**26,220**	**58,516**	**56,647**	**60,226**
Other Expenditure By Type											
General expenses	3	34,624	35,835	38,688	55,287	–	–	–			
Operating Leases						1,994	1,994	–	1,615	1,710	1,760
Operational cost						47,709	47,709	20,499	53,747	57,467	61,437
Total 'Other' Expenditure	1	**34,624**	**35,835**	**38,688**	**55,287**	**49,703**	**49,703**	**20,499**	**55,362**	**59,177**	**63,197**
Repairs and Maintenance by Expenditure Item	8										
Employee related costs		–	–	–	–	–	–	–	–	–	–
Other materials		–	–	–	–	–	–	–	–	–	–
Contracted Services		6,721	4,844	13,106	21,560	23,762	23,762	26,220	23,771	21,783	21,848
Other Expenditure		–	–	–	–	–	–	–	–	–	–
Total Repairs and Maintenance Expenditure	9	6,721	4,844	13,106	21,560	23,762	23,762	26,220	23,771	21,783	21,848

Table 49 MBRR SA2 – Matrix Financial Performance Budget (revenue source/expenditure type and dept.)

DC31 Nkangala - Supporting Table SA2 Matrix Financial Performance Budget (revenue source/expenditure type and dept.)								
Description R thousand	Ref 1	Vote 1 - Municipal Manager	Vote 2 - Chief Finance Officer	Vote 3 - GM Corporate services	Vote 4 - GM Social Services	Vote 5 - GM Planning & Economic Development	Vote 6 - GM Technical Services	Total
Revenue By Source								
Interest earned - outstanding debtors		–	25,450	–	–	–	–	25,450
Licences and permits		–	450	–	350	–	–	800
Agency services		–	–	–	960	–	–	960
Other revenue		–	–	–	–	–	–	–
Transfers and subsidies		–	365	–	–	–	–	365
Gains on disposal of PPE		–	357,274	–	–	2,131	–	359,405
Total Revenue (excluding capital transfers and contributi		–	383,539	–	1,310	2,131	–	386,980
Expenditure By Type								
Employee related costs		24,180	17,138	20,143	67,714	13,568	9,648	152,389
Remuneration of councillors		15,108	–	–	–	–	–	15,108
Debt impairment		–	–	–	–	–	–	–
Depreciation & asset impairment		3,173	162	4,973	7,158	120	553	16,139
Finance charges		10	97	51	5	5	5	174
Bulk purchases		–	–	–	–	–	–	–
Other materials		3,018	255	645	3,729	288	86	8,022
Contracted services		22,124	6,859	14,547	12,046	2,411	529	58,516
Transfers and subsidies		10,859	2,966	–	7,418	20,139	114,039	155,421
Other expenditure		20,850	4,662	14,213	11,851	2,545	1,241	55,362
Loss on disposal of PPE		–	–	–	–	–	–	–
Total Expenditure		99,322	32,140	54,573	109,920	39,076	126,100	461,131
Surplus/(Deficit)		(99,322)	351,399	(54,573)	(108,610)	(36,945)	(126,100)	(74,151)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		–	2,310	–	–	–	–	2,310
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)		–	–	–	–	–	–	–
Transfers and subsidies - capital (in-kind - all)						–	–	–
Surplus/(Deficit) after capital transfers & contributions		(99,322)	353,709	(54,573)	(108,610)	(36,945)	(126,100)	(71,841)

Table 50 MBRR SA3- Supporting detail to Budgeted Financial Position

Supporting detail to Budgeted Financial Position

DC31 Nkangala - Supporting Table SA3 Supportinging detail to 'Budgeted Financial Position'

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
ASSETS											
Call investment deposits											
Call deposits		458,096	449,150	426,210	367,231	371,011	371,011	477,808	336,933	262,294	229,178
Other current investments		–	–						–	–	–
Total Call investment deposits	2	**458,096**	**449,150**	**426,210**	**367,231**	**371,011**	**371,011**	**477,808**	**336,933**	**262,294**	**229,178**
Consumer debtors											
Consumer debtors		144	119	88	164	164	164	1,038	1,142	1,256	1,382
Less: Provision for debt impairment		–	–						–	–	–
Total Consumer debtors	2	**144**	**119**	**88**	**164**	**164**	**164**	**1,038**	**1,142**	**1,256**	**1,382**
Debt impairment provision											
Balance at the beginning of the year											
Contributions to the provision											
Bad debts written off											
Balance at end of year		–	–	–	–	–	–	–	–	–	–
Property, plant and equipment (PPE)											
PPE at cost/valuation (excl. finance leases)		193,301	227,744	164,897	215,669	287,339	287,339	163,540	299,782	326,961	348,042
Leases recognised as PPE	3	788	1,584						1,500	–	–
Less: Accumulated depreciation		58,672	68,264		18,288	88,601	88,601		109,703	123,082	134,447
Total Property, plant and equipment (PPE)	2	**135,418**	**161,065**	**164,897**	**197,381**	**198,738**	**198,738**	**163,540**	**191,578**	**203,880**	**213,596**
LIABILITIES											
Current liabilities - Borrowing											
Short term loans (other than bank overdraft)		268							–	–	–
Current portion of long-term liabilities		3,135	3,530	3,680	3,085	3,085	3,085	1,891	2,480	820	750
Total Current liabilities - Borrowing		**3,403**	**3,530**	**3,680**	**3,085**	**3,085**	**3,085**	**1,891**	**2,480**	**820**	**750**
Trade and other payables											
Trade Payables	5	36,715	54,002	35,715	49,420	49,420	49,420	25,827	59,950	56,052	49,898
Other creditors								12	–	–	–
Unspent conditional transfers			–						–	–	–
VAT			–						–	–	–
Total Trade and other payables	2	**36,715**	**54,002**	**35,715**	**49,420**	**49,420**	**49,420**	**25,839**	**59,950**	**56,052**	**49,898**
Non current liabilities - Borrowing											
Borrowing	4	7,495	4,628	2,808	1,543	1,543	1,543	2,480			
Finance leases (including PPP asset element)		218							456	1,600	1,350
Total Non current liabilities - Borrowing		**7,713**	**4,628**	**2,808**	**1,543**	**1,543**	**1,543**	**2,480**	**456**	**1,600**	**1,350**
Provisions - non-current											
Retirement benefits		15,985	20,185	20,597	24,310	24,310	24,310	20,926	25,076	29,088	33,742
List other major provision items											
Refuse landfill site rehabilitation									–	–	–
Other					–	–	–	–	–	–	–
Total Provisions - non-current		**15,985**	**20,185**	**20,597**	**24,310**	**24,310**	**24,310**	**20,926**	**25,076**	**29,088**	**33,742**
CHANGES IN NET ASSETS											
Accumulated Surplus/(Deficit)											
Accumulated Surplus/(Deficit) - opening balance		646,743	672,886	693,988	754,969	754,969	754,969	684,495	689,295	617,454	565,147
GRAP adjustments		–	–								
Restated balance		646,743	672,886	693,988	754,969	754,969	754,969	684,495	689,295	617,454	565,147
Surplus/(Deficit)		24,919	23,808	(10,602)	(69,651)	(65,274)	(65,274)	58,753	(71,841)	(52,308)	(14,111)
Appropriations to Reserves		–	–	–	–	–	–	–	–	–	–
Transfers from Reserves		–	–	–	–	–	–	–	–	–	–
Depreciation offsets		–	–	–	–	–	–	–	–	–	–
Other adjustments		–	–	–	–	–	–	–	–	–	–
Accumulated Surplus/(Deficit)	1	**671,662**	**696,694**	**683,386**	**685,318**	**689,695**	**689,695**	**743,248**	**617,454**	**565,147**	**551,035**
Reserves											
Housing Development Fund											
Capital replacement											
Self-insurance											
Other reserves											
Revaluation											
Total Reserves	2	–	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	**671,662**	**696,694**	**683,386**	**685,318**	**689,695**	**689,695**	**743,248**	**617,454**	**565,147**	**551,035**

Table 51 MBRR SA6 – Reconciliation of IDP strategic objectives and budget (capital expenditure)

DC31 Nkangala - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)

Strategic Objective	Goal	Goal Code	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Institutional Development and Transformation	Competent Innovative and Accountable Team	KPA 1		2,363	2,989	5,244	10,910	12,211	12,211	10,120	17,953	11,450
Good Governance and Public Participation	Sound Electronic Governance	KPA 2		11,014	–	8,702	4,650	4,696	4,696	24,510	12,660	13,060
Local Economic Development	Inclusive Economic Growth with Sustainable Development	KPA 3		178	5	–	–	–	–	–	–	–
Financial Viability and Financial Management	Sound Financial Management	KPA 4		330	27,303	137	60	60	60	70	75	80
Basic Service Delivery and Infrastructure	Healthy Social Environment	KPA 5		15,281	3,770	6,077	15,928	12,282	12,282	–	–	–
	Sustainable Infrastructure and Service Provisioning	KPA 5		14	737	1,461	1,700	1,497	1,497	1,900	–	–
Spatial Rationale	Integrated regionalised planning	KPA 6		–	–	–	–	–	–			
Allocations to other priorities			3									
Total Capital Expenditure			1	**29,181**	**34,803**	**21,621**	**33,248**	**30,746**	**30,746**	**36,600**	**30,688**	**24,590**

Table 52 MBRR SA21 -Transfers & grants made by the municipality

DC31 Nkangala - Supporting Table SA21 Transfers and grants made by the municipality											
Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Non-Cash Transfers to other municipalities											
MP311 Victor Khanye	1	16,665	13,642	5,853	15,335	14,971	14,971	5,017	13,552	11,709	12,766
MP312 Emalahleni		23,933	3,551	40,861	25,064	23,407	23,407	13,217	14,642	17,356	8,490
MP313 Steve Tshwete		38,223	43,604	1,867	21,972	21,896	21,896	5,195	12,971	18,506	10,960
MP314 Emakhazeni		21,564	36,839	12,382	24,884	26,938	26,938	15,542	19,140	5,911	3,525
MP315 Thembisile Hani		21,523	22,892	56,505	37,559	27,794	27,794	6,142	34,829	26,732	28,689
MP316 Dr JS Moroka		36,619	20,830	37,112	15,493	22,638	22,638	7,185	42,428	40,385	19,639
DC31 Nkangala (Cross boundary projects)		18,822	20,943	21,830	27,203	28,979	28,979	10,083	17,859	15,059	12,991
Total Non-Cash Transfers To Municipalities:		177,349	162,301	176,411	167,509	166,623	166,623	62,382	155,421	135,659	97,060
TOTAL NON-CASH TRANSFERS AND GRANTS		177,349	162,301	176,411	167,509	166,623	166,623	62,382	155,421	135,659	97,060
TOTAL TRANSFERS AND GRANTS	6	177,349	162,301	176,411	167,509	166,623	166,623	62,382	155,421	135,659	97,060

Municipal Manager's quality certificate

I, ..., Municipal Manager of Nkangala District Municipality, hereby certify that the 2019/20 to 2021/22 Annual Budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the Annual Budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Signature: _____
Municipal Manager of Nkangala District Municipality (DC31)

Date: _____

PROJECT LISTS

DR JS MOROKA

PROJECT	FEB ADJ Budget 2018/19	Sum of Total Final Budget 2019/20	Sum of 2021 Final Budget	Sum of 2022 Final Budget
Aids Day: HCT and VMMC campaign	111,300	117,977	120,000	120,000
Assistance to Local Municipalities (Capacity Building): Blue & Green drop assistance	-	333,333	200,000	-
Assistance to Local Municipalities (Capacity Building): Co-sourced Internal Audit Support	624,281	624,281	640,000	640,000
Assistance to Local Municipalities (Software and Application Support): Drjsm Scm/ Debtors Verificatio	456,000	471,912	495,508	522,265
Communal Sanitation: VIPToilets and Septic Tanks Dr JS Moroka	1,227,500	1,500,000	-	-
Disaster Management: Awareness Campaigns Disaster M	80,000	100,000	120,000	132,000
Disaster Management: Emergency Open day needs	382,000	-	-	550,000
Disaster Management: Moral Regeneration Movement	-	-	-	-
Distribution Layers: Installation MPLS	-	6,000,000	5,000,000	-
Distribution: Madubaduba and Moripe Gardens Water Supply	3,341,410	3,500,000	7,000,000	7,000,000
Drainage Collection: Mabuyeni Stormwater Drainage systems	700,000	3,000,000	4,500,000	1,500,000
Drainage Collection: Stormwater Matshiding	3,300,000	4,000,000	-	-
Environmental Health: Education & Awareness Campaigns	40,000	45,000	60,000	70,000
Feasibility Studies: Feasibility Study for Integrated Human Settlement Dr JS Moroka	600,000	633,000	-	-
High Mast Lights: Dr JS Moroka	-	3,000,000	-	-
Inter Governmental Relations (IGR) Programme: Moral Regeneration	91,000	75,000	80,000	85,000
Machinery and Equipment: Grader	-	4,000,000	4,500,000	-
Project Implementation: Containerised Business Hub	-	-	-	2,000,000
Public Participation Meeting: Public Participation Meeting	-	-	-	-
Reticulation: Replace Asbestos Pipes Siyabuswa	3,405,000	-	-	-
Road Structures: Ga-Morwe to Mthambothini Vehicle Bridge	700,000	4,000,000	6,000,000	1,500,000
Roads: Bus Route from Mogononong to Siyabuswa Magistrate Court	500,000	-	5,000,000	1,500,000
Roads: Kakarela Road Construction	-	-	-	2,000,000
Spatial Planning: Bulfontein Land Survey	85,600	-	-	-
Spatial Planning: Land surveying Dr JS Moroka	400,000	-	500,000	520,000
Spatial Planning: Opening of Township Register Dr JS Moroka	-	-	-	-
Spatial Planning: Review of Land Use Scheme Dr JS Moroka	330,000	-	-	-
Spatial Planning: Review of Land Use Scheme Dr JS Moroka ph2	770,000	-	-	-
Spatial Planning: State Land release for Integrated Human Settlement In Dr JS Moroka	500,000	527,500	-	-
Spatial Planning: Township Establishment for Inegrated human Settlement in Dr JS Moroka	1,500,000	-	1,669,537	1,500,000
Storm water Conveyance: Kabenziwa Stormwater Control	3,200,000	3,500,000	4,500,000	-
Transport Assets: Water tanker	-	7,000,000	-	-
Grand Total	**22,344,091**	**42,428,003**	**40,385,045**	**19,639,265**

EMAKHAZENI

PROJECT	FEB ADJ Budget 2018/19	Sum of Total Final Budget 2019/20	Sum of 2021 Final Budget	Sum of 2022 Final Budget
Aids Day: HCT and VMMC campaign	111,300	117,977	120,000	120,000
Assistance to Local Municipalities (Capacity Building): Blue & Green drop assistance	-	-	200,000	-
Assistance to Local Municipalities (Capacity Building): Co-sourced Internal Audit Support	430,281	430,000	430,281	640,000
Assistance to Local Municipalities (Software and Application Support): Emkh Scm/ Debtors Verification	408,000	471,912	495,508	522,265
Water and Sanitation Siyathuthuka	-	1,000,000		
Disaster Management: Awareness Campaigns Disaster M	41,667	60,000	80,000	88,000
Disaster Management: Emergency Open day needs	-	-	-	-
Distribution: Installation of water reticulation in Gugulethu	6,425,489	-	-	-
Distribution: Water Installation at Empumelelweni	1,500,000	3,021,489	-	-
Environmental Health: Education & Awareness Campaigns	45,000	45,000	60,000	70,000
Feasibility Studies: Feasibility Study Road Machadodorp & Waterval Boven	600,000	1,500,000	-	-
Inter Governmental Relations (IGR) Programme: Moral Regeneration	80,000	75,000	80,000	85,000
Project Implementation: Containerised Business Hub	-	-	-	2,000,000
Reticulation: Installation of Sanitation Reticulation in Empumelweni Emthonyeni	1,500,000	6,500,000	-	-
Reticulation: Installation of sanitation reticulation in Gugulethu	7,262,000	-	-	-
Spatial Planning: Extention of existing cemetries Belfast Siyathuthuka Emgwenya		1,000,000	1,200,000	-
Spatial Planning: Extention of existing cemetries; Belfast; Siyathuthuka; Emgwenya	800,000	-		
Spatial Planning: Land Surveying Emakhazeni	400,000	-	445,210	-
Spatial Planning: Opening of Township Register Emakhazeni	650,000	685,750	-	-
Spatial Planning: Review of Land Use Scheme Emakhazeni	71,100	-	-	-
Transport Assets: Light Delivery Vehicle	1,520,000	-	-	-
Transport Assets: Medium Rescue Pumper Emakhazeni	-	-	-	-
Transport Assets: Refuse removal Truck	2,600,000	-	2,800,000	-
Transport Assets: Tractor-Loader-Backhoe TLB	2,200,000	-	-	-
Supply and Delivery of Low Bed and Bull Dozer	-	4,233,333	-	-
Grand Total	**26,644,837**	**19,140,461**	**5,910,999**	**3,525,265**

EMALAHLENI

PROJECT	FEB ADJ Budget 2018/19	Sum of Total Final Budget 2019/20	Sum of 2021 Final Budget	Sum of 2022 Final Budget
Aids Day: HCT and VMMC campaign	111,300	117,977	120,000	120,000
Assistance to Local Municipalities (Capacity Building): Blue & Green drop assistance	-	333,333	200,000	-
Assistance to Local Municipalities (Capacity Building): Co-sourced Internal Audit Support	692,562	770,000	750,000	780,000
Assistance to Local Municipalities (Software and Application Support): Emlh Scm/debtors Verification	456,000	539,328	566,295	296,875
Communal Sanitation: VIP Toilets and Septic Tanks Emalahleni	600,000	-	-	-
Disaster Management: Awareness Campaigns Disaster M	57,667	60,000	80,000	88,000
Disaster Management: Emergency Open day needs	450,333	-	-	550,000
Distribution: Bulk Water Supply Wilge	7,295,000	-	-	-
Distribution: Water Reticulation Hlalanikhale ext 3	1,500,000	2,500,000	4,250,000	2,250,000
Environmental Health: Education & Awareness Campaigns	40,000	45,000	60,000	70,000
Inter Governmental Relations (IGR) Programme: Moral Regeneration	92,000	75,000	80,000	85,000
Machinery and Equipment: Grader	3,487,889	-	5,000,000	-
Outfall Sewers: Upgrading Klarinet x2 x3 and Pine Ridge Sewer	2,303,689	7,701,389	2,000,000	-
Outfall Sewers: Upgrading of Pap & Vleis Outfall Sewer	521,770	-	-	-
Project Implementation: Containerised Business Hub	-	-	-	2,000,000
Reticulation: Sewer Line Hlalanikhale Ext 3	2,200,000	2,500,000	4,250,000	2,250,000
Waste Water Treatment Works: Upgrading WWTW Thubelihle	3,300,000	-	-	-
Grand Total	**23,108,210**	**14,642,027**	**17,356,295**	**8,489,875**

STEVE TSHWETE

PROJECT	FEB ADJ Budget 2018/19	Sum of Total Final Budget 2019/20	Sum of 2021 Final Budget	Sum of 2022 Final Budget
Aids Day: HCT and VMMC campaign	111,300	117,977	120,000	120,000
Assistance to Local Municipalities (Capacity Building): Blue & Green drop assistance	-	-	200,000	-
Construction of low-flush toilets in rural areas	-	333,333	-	-
Assistance to Local Municipalities (Software and Application Support): Stlm Scm/debtors Verification	456,000	539,328	566,295	596,875
Disaster Management: Awareness Campaigns Disaster M	41,667	60,000	80,000	88,000
Disaster Management: Emergency Open day needs	-	-	500,000	-
Environmental Health: Education & Awareness Campaigns	40,000	45,000	60,000	70,000
Inter Governmental Relations (IGR) Programme: Moral Regeneration	170,000	75,000	80,000	85,000
Machinery and Equipment: Grader	3,487,890	-	-	-
Project Implementation: Business Creation & Expans Smm	550,529	-	-	-
Project Implementation: Containerised Business Hub	-	-	-	2,000,000
Roads: Somaphepha Road	1,200,000	4,000,000	10,900,000	2,000,000
Roads: Tokologo (Ezinyokeni) Road	1,000,000	6,000,000	6,000,000	6,000,000
Spatial Planning: Newtown Land Survey	800,000	-	-	-
Transport Assets: Hazmat Response Steve Tshwete	-	1,800,000	-	-
Transport Assets: High Pressure Sewer Drainage Truck	3,656,000	-	-	-
Transport Assets: Smooth Roller	1,285,499	-	-	-
Transport Assets: Tipper Truck	1,500,000	-	-	-
Transport Assets: Tractor-Loader-Backhoe TLB	1,064,399	-	-	-
Transport Assets: Water tanker	6,274,500	-	-	-
Grand Total	**21,637,784**	**12,970,638**	**18,506,295**	**10,959,875**

THEMBISILE HANI

PROJECT	FEB ADJ Budget 2018/19	Sum of Total Final Budget 2019/20	Sum of 2021 Final Budget	Sum of 2022 Final Budget
Aids Day: HCT and VMMC campaign	111,300	117,977	120,000	120,000
Assistance to Local Municipalities (Capacity Building): Blue & Green drop assistance	-	333,333	200,000	-
Assistance to Local Municipalities (Capacity Building): Co-sourced Internal Audit Support	430,281	430,281	430,281	640,000
Assistance to Local Municipalities (Software and Application Support): Thlm Scm/ Debtors Verification	408,000	471,912	495,508	522,265
Bulk Mains: Moloto Bulk Water Supply	865,744	-		
Disaster Management: Awareness Campaigns Disaster M	80,000	100,000	120,000	132,000
Disaster Management: Emergency Open day needs	-	-	500,000	-
Drainage Collection: Stormwater ward 4	1,200,000	3,000,000	3,000,000	-
Environmental Health: Education & Awareness Campaigns	40,000	45,000	60,000	70,000
Feasibility Studies: Feasibility Study for Integrated Human Settlement Thembisile Hani	600,000	633,000	-	-
Halls: Community Hall Moloto	1,200,000	-	-	-
Inter Governmental Relations (IGR) Programme: Moral Regeneration	97,000	75,000	80,000	85,000
Project Implementation: Containerised Business Hub	-	-	-	2,000,000
Public Participation Meeting: Public Participation Meeting	314,975	-	-	-
Project: EPWP INCENTIVE GRANT PROJECTS	500,000	1,100,000	-	-
Road Structures: Mandela Luthuli Bridge Road	1,500,000	1,000,000	1,000,000	1,000,000
Roads: Completion of Bus Route Tweefontein G	2,412,330	7,000,000	-	-
Roads: Kwaggafontein D Bus Route Phase 3	2,500,000	5,000,000	-	-
Roads: Madamini Bus Route	2,000,000	1,000,000	-	5,000,000
Roads: Paving of Greenside Road Khayalanyoni	2,000,000	6,000,000	7,000,000	-
Roads: Road in ward 12 Thembisile Hani	1,834,000	1,000,000	5,000,000	3,000,000
Roads: Thembalethu Bus Route	3,000,000	1,412,340	2,500,000	8,000,000
Spatial Planning: Land Surveying Thembisile Hani	400,000	-	-	520,000
Spatial Planning: Review of Land Use Scheme Thembisile Hani	530,000	-	-	-
Spatial Planning: Review of Land Use Scheme Thembisile Hani ph2	770,000	-		-
Spatial Planning: State Land release Integrated Human Settlement Thembisile Hani	500,000	527,500	556,514	600,000
Spatial Planning: Township Establishment for Integrated Human settlement Thembisile Hani	1,500,000	1,582,500	1,669,537	1,500,000
Storm water Conveyance: Stormwater Phumula	3,000,000	4,000,000	4,000,000	5,500,000
Grand Total	**27,793,630**	**34,828,843**	**26,731,840**	**28,689,265**

VICTOR KHANYE

PROJECT	FEB ADJ Budget 2018/19	Sum of Total Final Budget 2019/20	Sum of 2021 Final Budget	Sum of 2022 Final Budget
Aids Day: HCT and VMMC campaign	111,300	117,977	120,000	120,000
Assistance to Local Municipalities (Capacity Building): Blue & Green drop assistance	-	333,333	200,000	-
Assistance to Local Municipalities (Capacity Building): Co-sourced Internal Audit Support	886,562	816,562	811,562	880,600
Assistance to Local Municipalities (Capacity Building): Valuation Roll	1,000,000	-	-	-
Assistance to Local Municipalities (Software and Application Support): Vklm Scm/debtors Verification	408,000	471,912	495,508	522,265
Boreholes: Refurbishment of Boreholes & elevated Steel tank VKLM	2,026,961	5,000,000	5,000,000	5,000,000
Disaster Management: Awareness Campaigns Disaster M	41,667	60,000	80,000	88,000
Disaster Management: Emergency Open day needs	-	400,000	-	-
Disaster Management: Moral Regeneration Movement	-	-	-	-
Environmental Health: Education & Awareness Campaigns	40,000	45,000	60,000	70,000
Feasibility Studies: Feasibility Study for Integrated Human Settlement Victor Khanye	-	633,000	-	-
Inter Governmental Relations (IGR) Programme: Moral Regeneration	80,000	75,000	80,000	85,000
Project Implementation: Containerised Business Hub	-	-	-	2,000,000
Public Participation Meeting: Public Participation Meeting	-	-	-	-
Reticulation: Sewer Pipeline Kgomostreet	6,000,000	-	-	-
Roads: Construction of Roads Victor Khanye	-	4,526,960	4,526,960	4,000,000
Spatial Planning: Land Surveying Victor Khanye	400,000	422,000	-	-
Spatial Planning: Opening of Township Register Victor Khanye	-	650,000	-	-
Spatial Planning: Review of Land Use Scheme Victor Khanye	530,000	-	-	-
Spatial Planning: Review of Land Use Scheme Victor Khanye ph2	770,000	-	-	-
Transport Assets: Refuse removal Truck	2,500,000	-	-	-
Youth Development: Integrated Youth Development Strategy	-	-	335,000	-
Grand Total	**14,794,490**	**13,551,744**	**11,709,030**	**12,765,865**

NKANGALA CROSS BOUNDARY PROJECTS

PROJECT	FEB ADJ Budget 2018/19	Sum of Total Final Budget 2019/20	Sum of 2021 Final Budget	Sum of 2022 Final Budget
NKANGALA DM				
Assistance to Local Municipalities (Capacity Building): Blue & Green drop assistance	800,000	-		
By-Laws: Local Municipalities	450,000	454,500	600,000	650,000
Develop Integrated Waste Management Plan: Review of the Integrated Waste Management Plan	189,500	-	-	-
Government Information System (GIS) Project and Support: Procurement Gis Cadastral Data	764,750	700,000	-	500,000
Integrated Public Transport Network: Gazetting of Transport By Laws	-	316,500	503,909	-
Inter Governmental Relations (IGR) Programme: Moral Regeneration	-	90,000	95,000	100,000
Master plan: Develop District Integrated Tr	593,000	-		
Master plan: Rural Road Asset Managerment	2,180,000	2,310,000	2,442,000	2,577,000
Master plan: Transport By Laws	470,000	-	-	-
Parks Programme: Social study regional freedom park	72,000	-	-	-
Project Implementation: Integrated Green Economy Manag	1,500,000	800,000	-	-
Project Implementation: Neda Development & Establishment	618,421	527,500	606,512	2,000,000
Project Implementation: Non-financial support tp SMMEs Cooperatives & Informal Traders	-	1,010,000	2,226,051	1,000,000
Project Implementation: Non-financial support tp SMMEs; Cooperatives & Informal Traders	2,489,690	-	-	-
Project Implementation: Support to SMMEs Cooperatives & Informal Traders	-	2,110,000	2,226,050	2,000,000
Project Implementation: Support to SMMEs; Cooperatives & Informal Traders	8,000,000	-	-	-
Project: Job Creation EPWP Creative Arts and Culture	2,680,000	1,780,620	-	-
Project: Job Creation EPWP Rural Development & Agriculture	1,770,000	1,783,500	-	-
Project: Job Creation EPWP Security	2,135,000	2,400,000	2,500,000	-
Research and Development: Community satisfaction survey	600,000	-	-	-
Risk Management: Whistle blowing Hot line	322,000	-	-	-
Special Events and Functions: Water Summit	395,000	-	-	-
Tourism Projects: Support to LTO and RTO	150,000	316,500	353,913	371,608
Youth Development: Mayoral Bursary Fund	2,600,000	2,800,000	3,000,000	3,200,000
Youth Development: Youth Development Summit	200,000	220,000	242,000	242,000
Youth Development: Youth Entrepreneur Workshop	-	240,000	264,000	350,000
Grand Total	**28,979,361**	**17,859,120**	**15,059,435**	**12,990,608**

Organogram

There were no changes to the Organogram for the 2019/20 MTREF
On 31 May 2017, Council approved an organogram under item DM 416/05/2017

PROCUREMENT PLANS

In terms of MFMA Municipal Budget Circular 94 for the 2019/2020 MTREF, issued on 8 March 2019, the municiaplity must as part of the tabling of budget documents, submit the Procurement Plan for the new financial year to Council for approval.

The procurement plans received by the different departments are attached hereto as Annexure on pages 110

Service Standards

Province: Municipality(Code) - Schedule of Service Delivery Standards Table XX	
Description **Standard**	**Service Level**
Solid Waste Removal	N/A
Premise based removal (Residential Frequency)	N/A
Premise based removal (Business Frequency)	N/A
Bulk Removal (Frequency)	N/A
Removal Bags provided(Yes/No)	N/A
Garden refuse removal Included (Yes/No)	N/A
Street Cleaning Frequency in CBD	N/A
Street Cleaning Frequency in areas excluding CBD	N/A
How soon are public areas cleaned after events (24hours/48hours/longer)	N/A
Clearing of illegal dumping (24hours/48hours/longer)	N/A
Recycling or environmentally friendly practices(Yes/No)	N/A
Licenced landfill site(Yes/No)	N/A
Water Service	N/A
Water Quality rating (Blue/Green/Brown/N0 drop)	N/A
Is free water available to all? (All/only to the indigent consumers)	N/A
Frequency of meter reading? (per month, per year)	N/A
Are estimated consumption calculated on actual consumption over (two month's/three month's/longer period)	N/A
On average for how long does the municipality use estimates before reverting back to actual readings? (months)	N/A
Duration (hours) before availability of water is restored in cases of service interruption (complete the sub questions)	N/A
One service connection affected (number of hours)	N/A
Up to 5 service connection affected (number of hours)	N/A
Up to 20 service connection affected (number of hours)	N/A
Feeder pipe larger than 800mm (number of hours)	N/A
What is the average minimum water flow in your municipality?	N/A
Do you practice any environmental or scarce resource protection activities as part of your operations? (Yes/No)	N/A
How long does it take to replace faulty water meters? (days)	N/A
Do you have a cathodic protection system in place that is operational at this stage? (Yes/No)	N/A
Electricity Service	N/A
What is your electricity availability percentage on average per month?	N/A
Do your municipality have a ripple control in place that is operational? (Yes/No)	N/A
How much do you estimate is the cost saving in utilizing the ripple control system?	N/A
What is the frequency of meters being read? (per month, per year)	N/A
Are estimated consumption calculated at consumption over (two month's/three month's/longer period)	N/A
On average for how long does the municipality use estimates before reverting back to actual readings? (months)	N/A
Duration before availability of electricity is restored in cases of breakages (immediately/one day/two days/longer)	N/A
Are accounts normally calculated on actual readings? (Yes/no)	N/A
Do you practice any environmental or scarce resource protection activities as part of your operations? (Yes/No)	N/A
How long does it take to replace faulty meters? (days)	N/A
Do you have a plan to prevent illegal connections and prevention of electricity theft? (Yes/No)	N/A
How effective is the action plan in curbing line losses? (Good/Bad)	N/A
How soon does the municipality provide a quotation to a customer upon a written request? (days)	N/A
How long does the municipality takes to provide electricity service where existing infrastructure can be used? (working days)	N/A
How long does the municipality takes to provide electricity service for low voltage users where network extension is not required? (working days)	N/A
How long does the municipality takes to provide electricity service for high voltage users where network extension is not required? (working days)	N/A
Sewerage Service	N/A
Are your purification system effective enough to put water back in to the system after purification?	N/A
To what extend do you subsidize your indigent consumers?	N/A
How long does it take to restore sewerage breakages on average	N/A
Severe overflow? (hours)	N/A
Sewer blocked pipes: Large pipes? (Hours)	N/A
Sewer blocked pipes: Small pipes? (Hours)	N/A
Spillage clean-up? (hours)	N/A
Replacement of manhole covers? (Hours)	N/A

Road Infrastructure Services	N/A
Time taken to repair a single pothole on a major road? (Hours)	N/A
Time taken to repair a single pothole on a minor road? (Hours)	N/A
Time taken to repair a road following an open trench service crossing? (Hours)	N/A
Time taken to repair walkways? (Hours)	N/A
Property valuations	N/A
How long does it take on average from completion to the first account being issued? (one month/three months or longer)	N/A
Do you have any special rating properties? (Yes/No)	N/A
Financial Management	
Is there any change in the situation of unauthorised and wasteful expenditure over time? (Decrease/Increase)	Decrease
Are the financial statement outsources? (Yes/No)	No
Are there Council adopted business process tsructuing the flow and managemet of documentation feeding to Trial Balalnce?	No
How long does it take for an Tax/Invoice to be paid from the date it has been received?	14- 30 Days
Is there advance planning from SCM unit linking all departmental plans quaterly and annualy including for the next two to three years procurement plans?	Yes
Administration	
Reaction time on enquiries and requests?	
Time to respond to a verbal customer enquiry or request? (working days)	
Time to respond to a written customer enquiry or request? (working days)	
Time to resolve a customer enquiry or request? (working days)	
What percentage of calls are not answered? (5%,10% or more)	
How long does it take to respond to voice mails? (hours)	
Does the municipality have control over locked enquiries? (Yes/No)	
Is there a reduction in the number of complaints or not? (Yes/No)	
How long does in take to open an account to a new customer? (1 day/ 2 days/ a week or longer)	
How many times does SCM Unit, CFO's Unit and Technical unit sit to review and resolve SCM process delays other than normal monthly management meetings?	
Community safety and licensing services	N/A
How long does it take to register a vehicle? (minutes)	N/A
How long does it take to renew a vehicle license? (minutes)	N/A
How long does it take to issue a duplicate registration certificate vehicle? (minutes)	N/A
How long does it take to de-register a vehicle? (minutes)	N/A
How long does it take to renew a drivers license? (minutes)	N/A
What is the average reaction time of the fire service to an incident? (minutes)	N/A
What is the average reaction time of the ambulance service to an incident in the urban area? (minutes)	N/A
What is the average reaction time of the ambulance service to an incident in the rural area? (minutes)	N/A
Economic development	
How many economic development projects does the municipality drive?	5
How many economic development programme are deemed to be catalytic in creating an enabling environment to unlock key economic growth projects?	5
What percentage of the projects have created sustainable job security?	(0%) Still Work in progress
Does the municipality have any incentive plans in place to create an conducive environment for economic development? (Yes/No)	Busy developing an Investm
Other Service delivery and communication	
Is a information package handed to the new customer? (Yes/No)	
Does the municipality have training or information sessions to inform the community? (Yes/No)	
Are customers treated in a professional and humanly manner? (Yes/No)	

BUDGET TIMETABLE

SCHEDULE OF KEY DEADLINES

Mayor to Table in Council 10 Months Prior to Start of Budget Year

Month	Nkangala District Municipality	Budget Year 2019/2020
	Mayor and Council	**Administration - Municipality**
February – March 2019	Mayor begins planning for next three-year budget in accordance with co-ordination role of budget process **MFMA s 53** Planning includes review of the previous years budget process and completion of the Budget Evaluation Checklist	Accounting officers and senior officials of municipality begin planning for next three-year budget **MFMA s 68, 77** Accounting officers and senior officials of municipality review options and contracts for service delivery **MSA s 76-81**
March 2019	Mayor tables in Council the schedule of key deadlines setting the time table for: preparing, tabling and approving the budget; reviewing the IDP (as per s 34 of MSA) and budget related policies and consultation processes at least 10 months before the start of the budget year. **MFMA s 21,22, 23;** **MSA s 34, Ch 4 as amended** Mayor establishes committees and consultation forums for the budget process	Accounting Officer to assist Mayor to prepare the schedule of key deadlines and align the IDP and Budget process
September – October 2019		Accounting officer does initial review of national policies and budget plans with department officials **MFMA s 35, 36, 42; MTBPS**
November – December 2019	Council finalises tariff policies for next financial year **MSA s 74, 75** Mayor tables municipal budget, resolutions, plans, and proposed revisions to IDP	Accounting officer submits draft budget and plans for next financial year to the Mayor for tabling Accounting officer publishes tabled budget, plans, and proposed revisions to IDP, invites local community comment and submits to NT, PT and others Accounting officer to notify relevant municipalities of projected allocations for next three budget years
January 2020		Budget office of municipality determine revenue projections and proposed tariffs and draft initial allocations to functions and departments for the next financial year after taking into account strategic objectives Accounting officer reviews proposed national and provincial allocations to municipality for incorporation into the final budget.
February 2020	Consultation with national and provincial treasuries and finalise sector plans for water, sanitation, electricity etc	Accounting officer incorporates the recent mid-year review and any corrective measures proposed as part of the oversight report for the previous years audited financial statements and annual report
March 2020	Council through the IDP review process determines strategic objectives for service delivery and development for next three-year budgets including review of provincial and national government sector and strategic plans	Engages with Provincial and National sector departments on sector specific programmes for alignment with municipalities plans (schools, libraries, clinics, water, electricity, roads, etc)
March 2019	Council considers municipal proposed budget and service delivery plan	Accounting officer assists the Mayor in revising budget documentation in accordance with consultative processes and taking into account the results from the third quarterly review of the current year
April - May 2020	Public hearings on the budget, and council debate. Council consider views of the local community, NT, PT, other provincial and national organs of state and municipalities. Mayor to be provided with an opportunity to respond to submissions during consultation and table amendments for council consideration. Council to consider approval of budget and plans at least 30 days before start of budget year. **MFMA s 23, 24; MSA Ch 4 as amended**	Accounting officer assists the Mayor in preparing the final budget documentation for consideration for approval at least 30 days before the start of the budget year taking into account consultative processes and any other new information of a material nature
May 2020	Council must approve annual budget by resolution, setting tariffs, approving changes to IDP and budget related policies, approving measurable performance objectives for revenue by source and expenditure by vote before start of budget year **MFMA s 16, 24, 26, 53**	Accounting officer submits to the mayor no later than 14 days after approval of the budget a draft of the SDBIP and annual performance agreements required by s 57(1)(b) of the MSA. **MFMA s 69; MSA s 57**
June 2020	Mayor must approve SDBIP within 28 days after approval of the budget and ensure that annual performance contracts are concluded in accordance with s 57(2) of the MSA. Mayor to ensure that the annual performance agreements are linked to the measurable performance objectives approved with the budget and SDBIP. The mayor submits the approved SDBIP and performance agreements to council, MEC for local government and makes public within 14 days after approval. **MFMA s 53; MSA s 38-45, 57(2)** Council must review the system of delegations. **MFMA s 59, 79, 82; MSA s 59-65**	Accounting officer of municipality publishes adopted budget and plans **MFMA s 75, 87**

Abbreviations:
IDP - Integrated Development Plan
MFMA - Local Government: Municipal Finance Management Act, No. 56 of 2003
MSA - Local Government: Municipal Systems Act, No. 32 of 2000, as amended
MTBPS - National Treasury annual publication, Medium Term Budget and Policy Statement;
NT - National Treasury
PT - Provincial Treasuries
SDBIP - Service Delivery and Budget Implementation Plan

PROPOSED SUNDRY TARIFFS FOR THE 2019/20 – 2021/22 FINANCIAL YEARS

1. In terms of the Municipal Finance Management Act 56 of 2003, section 17(3)- when an annual budget is tabled in terms of section16(2), it must be accompanied by the following documents – (a) draft resolutions – (ii) imposing any municipal taxes and setting ant municipal tariffs as may be required for the budget year

2. The sundry tariffs for each service delivery by Council are annually revised at the time when the annual budget is being prepared and is aimed at the effective recovery of cost incurred to supply the related services.

3. The recommended tariffs for each service to be implemented with effect from 1 July 2019 are reflected under each directorate / department.

4. It is recommended:

    4.1 That the adjusted tariffs as reflected in the comments of the various managers of departments be approved for implementation with effect from 1 July 2019.

    4.2 That the sundry tariffs be VAT inclusive except those tariffs for services indicated with an (*) which are exempted or out of scope of the VAT Act.

5. **GM CORPORATE SERVICES**

Legal and Administration (Building)

Description	Approved 2018/2019	rate of measure	Recommended 2019/20 (7%)	Recommended 2020/21(6%)
Rental of Council Chamber Refundable deposit Utilisation	R2 842.00 R185.00	hour	R3 040.00 R198.00	R3 222.00 R210.00
Rental of Council Parlour Refundable deposit Utilisation	R2 842.00 R185.00	hour	R3 040.00 R198.00	R3 222.00 R210.00
Rental of Training Room Non-commercial use Refundable deposit Utilisation	R2 842.00 R185.00	hour	R3 040.00 R19800	R3 222.00 R210.00
Commercial Use Refundable deposit Utilisation	R5 000.00 R432.00	hour	R5 350.00 R462.00	R5 670.00 R490.00

Description	Approved 2018/2019	rate of measure	Recommended 2019/20 (7%)	Recommended 2020/21(6%)
Rental of Committee Room				
Refundable deposit	R2 842.00		R3 040.00	R3 222.00
Utilisation	R160.00	hour	R171.00	R181.00
Rental of offices				
Refundable deposit	Equal to one monthly instalment			
Rental	R135.00	per m²	R144.00	R153.00
Rental of kitchen	Use of kitchen must be limited to the Caterers who are rendering services for Nkangala District Municipality and Government Departments only.		Use of kitchen must be limited to the Caterers who are rendering services for Nkangala District Municipality and Government Departments only.	Use of kitchen must be limited to the Caterers who are rendering services for Nkangala District Municipality and Government Departments only.

* That all rentable Council facilities be made available free of charge to government departments (National and Provincial) and political parties and be exempted from paying the deposit, provided:
  - That they be charged for all damage caused;
  - That they be charged normal fees should they use it for commercial use (fee charged at the entrance);
  - That they make use of local service providers; and
  - That the kitchen is booked simultaneously with the hall and not separately.

❖ The booking of Council facilities for political parties is subject to approval by the Executive Mayor.

Access to information				
Photocopy (A4)	3.40	/copy	3.65	3.85
Requesting fee as per Regulation 7(2)	49.45	/hour	53.00	56.00
Searching and preparing of records as per Reg 7(3)	31.50	/hour	23.70	35.70
Searching and preparing records as per Reg 11(3)	43.80	/hour	47.00	50.00
Appeal Processing Fee	350			

Description	Approved 2018/2019	rate of measure	Recommended 2019/20 (7%)	Recommended 2020/21(6%)
Fees prescribed by Regulation 84v of the Deeds Registration Act 47 of 1937 as amended	34.00	/hour	36.40	38.60
Deed	9.00	/document	9.60	10.20
A document enquiry relating to a property or obtaining a computer printout and for the inspection of any deed, document, folio, register or micro film relating thereof (including the search of the index) for each enquiry per property deed	9.00	/copy	9.60	10.20
information obtained through any other electronic system for a list of erven in a township of units in a sectional title scheme or portions of a farm or holdings in an agricultural holdings area, or any other similar (list of registered properties)				

Library Services (Public Facilities & Cultural Services)

Description	Approved 2018/2019	rate of measure	Recommended 2019/20 (7%)	Recommended 2020/21(6%)
Membership fees				
Membership card	free R25.00			
Lost membership		each	R26.7550	R28.350
Lost library materials				
books/DVD/CD	replace the material **or** pay the current value of the material		replace the material or pay the current value of the material	replace the material or pay the current value of the material
Photostats				
A4 library material(black & white)	R1.70	/page	R1.80	R1.90
A3 library material(black & white)	R3.40	/page	R3.65	R3.85
A4 library material(colour)	R4.00	/page	R4.30	R4.50
A3 library material(colour)	R7.85	/page	R8.40	R8.90

GM PLANNING & ECONOMIC DEVELOPMENT

Development and Planning Unit

Description	Approved 2018/2019	rate of measure	Recommended 2019/20 (7%)	Recommended 2020/21(6%)
1. Spatial development framework:				
(a) Hard copy	215.00	/region	230.00	244.00
(b) In electronic format	101.00	/region	108.00	114.00
2. Integrated Development Plan				
(a) Hard copy	123.60		132.25	140.00
(b) In electronic format	61.80		66.00	70.00
3. Copy of Land Use Scheme or Town Planning Scheme (Scheme	495.50		530.00	562.00
4. Scheme Regulations	823.60	/set	881.25	934.00
5. Search fees	33.70	/erf	36.00	38.00
6. Diagrammes	33.70	/diagramme	36.00	38.00
7. Deed search and copy of the title deed	201.00	document/ search	215.00	228.00
8. **Map Copies**				
(a) A4	61.80	Copy/print	66.00	70.00
(b) A3	92.00	Copy/print	98.45	104.30
(c) A2	123.60	Copy/print	132.25	140.00
(d) A1	154.00	Copy/print	164.80	174.70
(e) A0	174.00	Copy/print	186.00	197.00

GM SOCIAL SERVICES

Municipal Health Services and Environmental

Description	Approved 2018/2019	rate of measure	Recommended 2019/20 (7%)	Recommended 2020/21(6%)
1. CERTIFICATE OF ACCETABILITY FORMAL FOOD PREMISES *Foodstuffs, Cosmetics and Disinfectant Act, 1972 (Act 54 of 1972)* e.g Spar, Pick n Pay, Restaurant- Spur, Ocean basket	R1 650.00	Annual	R1 650.00	R1 650.00

Description	Approved 2018/2019	rate of measure	Recommended 2019/20 (7%)	Recommended 2020/21(6%)
2. INFORMAL FOOD PREMISES *General hygiene requirements of food premises and the transport of food, Regulation R962 23 Nov 2012)* e.g. tuck shop, informal café or caterers or informal restaurant	R550.00	Annual	R550.00	R550.00
3. HEALTH CERTIFICATE *NDM Municipal Health Services By-laws* e.g Pre-school, after care centres, certificate of competency	R550.00	Annual or when the number of children increases or change of ownership	R550.00	R550.00
4. CERTIFICATE OF COMPLIANCE OR COMPETENCE (COC) Mortuaries, Old Age Home, Private Schools, Institutions, Salons, Accommodations, Spray Painters, Private Clinics Or Surgeries and all health related facilities,	R550.00	Annual or change of ownership	R550.00	R550.00
5. **GOVERNMENT FACILITIES**, *NDM Municipal Health Services By-laws* e.g SAPS kitchen, mortuaries, hospital kitchens	No fees or charges	Annual	No fees or charges	No fees or charges
6. GOVERNMENT SCHOOLS *NDM Municipal Health Services By-laws*	No fees or charges	Annual	No fees or charges	No fees or charges
7. MUNICIPAL HEALTH SERVICES OFFENCES & PENALTIES	Penalties effective when the NDM MHS By-Laws is gazetted and promulgated	As per the offence	Penalties effective when the NDM MHS By-Laws is gazetted and promulgated	Penalties effective when the NDM MHS By-Laws is gazetted and promulgated

Description	Approved 2018/2019	rate of measure	Recommended 2019/20 (7%)	Recommended 2020/21(6%)
8. ATMOSPHERIC EMISSION LICENSING *National Environmental Management Air Quality Act (Act 39 0f 2004)*				
8.1 General Offences	As per the offence	Penalties as per the *National Environmental Management Air Quality Act (Act 39 0f 2004) as amended and the NDM Air Quality Management By-Laws after promulgation*	As per the offence	As per the offence
8.2 Atmospheric Emission Licensing Fee	Once off per year if it is a new application, if its renewal and once off if it is a transfer, review and amendment	Once off per five (5) years or change of ownership Tariffs as per the AEL Processing Fee Regulations terms of sections 53(o), 37(2)(a),44(3)(a),45(1) and 47(3Xa) of the NEMAQA	Once off per year if it is a new application, if it is a renewal and once off if it is a transfer, review and amendment	Once off per year if it is a new application, if its renewal and once off if it is a transfer, review and amendment

8.3 Applications and processing of AEL's in terms of subsection 22A of *National Environmental Management Air Quality Act (Act 39 0f 2004) as amended.*	Once off as per the offence	Administrative fine in terms of section 22A under sections 53(1A) of the NEMAQA	Once off as per the offence	Once off as per the offence

Fire and Rescue Services

Description	Approved 2018/2019	rate of measure	Recommended 2019/20 (7%)	Recommended 2020/21(6%)
1. Fixed charges for services rendered regarding hazardous substances as promulgated in SANS 10228 inside and outside the municipal area	R4 697.00	+km	R5 025.00	R5 327.00
2. Turn-outs -The following accumulating fees: 2.1 Fixed charges per call-out	R308.00		R330.00	R350.00
2.2 First hour or part thereof per incident	R618.00		R661.00	R701.00
2.3 For each subsequent hour or part thereof per incident	R308.00		R330.00	R350.00
3. Cost for replacement of material, damaged equipment or consumable items		cost + 20 % handling charge + VAT		
4. Cost of water used	Current municipal tariff	/kl	Current municipal tariff	Current municipal tariff
5. Equipment used	R308.00		R330.00	R350.00
6. Jaws of life - Light motor vehicles < 3500kg - Heavy motor vehicles > 3500kg	R618.00 R618.00 R1 854.00		R661.00 R661.00 R1 983.00	R701.00 R701.00 R2 102.00
7. Kilometers of fire engines	R37.00 *	km	R39.60*	R42.00 *
8. Kilometers of utility vehicles	R18.50 *	km	R19.80 *	R21.00 *
9. Personnel per member per hour or part	R197.75		R211.60	R224.30
10. Fire equipment serviceman	R556.00		R595.00	R630.00

GM FINANCIAL SERVICES

Description	Approved 2018/2019	rate of measure	Recommended 2019/20 (7%)	Recommended 2020/21(6%)
Tender document fee				
30, 001 -200, 000	R124.00	/document	R132.70	R140.65
200, 001- 500, 000	R185.00		R198.00	R210.00
500, 001 – 1, 000, 000	R247.00		R264.00	R280.00
1, 000, 001 -1, 500, 000	R433.00		R463.00	R491.00
1, 500, 001 – 5, 000, 000	R618.00		R661.00	R701.00
5, 000, 001 – 10, 000, 000	R803.00		R859.00	R910.00
10, 000, 0001 - above	R989.00		R1 058.00	R1 122.00
Banking				
Tracing electronic payments made on Council's bank account without any references	R67.50	/each	R72.00	R76.55
Levy on repudiated cheques	R247.00	/each	R264.00	R280.00

SCHEDULE OF PROCUREMENT PLANS IN RESPECT OF ADVERTISED COMPETITIVE BIDS (GOODS, INFRASTRUCTURE PROJECTS OR SERVICES IN EXCESS OF R200 000 INCLUDING ALL APPLICABLE TAXES) FOR THE 2019/2020 FINANCIAL YEAR

Name of Municipality or Municipal Entity	**NKANGALA DISTRICT MUNICIPALITY**		
Name of Directorate / Unit	**ALL DEPARTMENTS**		
Name of Manager	**MM SKOSANA**		
Telephone Number	**013 249 2000**	**E-mail Address**	**skosanamm@nkangaladm.gov.za**

Project Name & Brief Description	**Estimated value (including all applicable taxes)**	**Envisaged date of advertisement in the website, newspapers or other media**	**Envisaged closing date of bid**	**Envisaged date of award**	**Responsible Office**
New Office Furniture and Equipment: Lease: Finance Scanners for electronic filing 3 X	R225 000	*15 June 2019*	*15 July 2019*	*15 Aug 2019*	Supply Chain
AFS Assistance and Review 2019/20 to 2022/23	R1 500 000	15 Sep 2019	15 Oct 2019	*15 Dec 2019*	Finance
Installation of MPLS for Dr. JS Moroka LM	R 5m	*01/04/2019*	*10/05/2019*	*30/06/2019*	Divisional Manager ICT
Establishment of District Wide DRRS	R 5m	30/09/2019	30/11/2019	*31/01/2020*	Divisional Manager ICT
Development and Implementation of DRP/BCP	R 5m	*01/07/2019*	*15/08/2019*	*11/10/2019*	Divisional Manager ICT
Implementation of ERP Systems	R 7m	30/09/2019	31/10/2019	*31/02/2020*	Divisional Manager ICT
Stormwater Matshiding	7,300,000	Task Completed	Task Completed	31 July 2019	Technical Services
Madubaduba & Moripe Gardens Water Supply	25,500,000	30 August 2019	30 September 2019	30 November 2019	Technical Services
Ga-Morwe to Mthambothini Vehicle Bridge	R15, 000,000	30 August 2019	30 September 2019	30 November 2019	Technical Services
Mabuyeni Stormwater Drainage Systems	R6,500,000	30 August 2019	30 September 2019	30 November 2019	Technical Services
Procurement of Grader Dr JS Moroka	R4,000,000	30 August 2019	18 September 2019	30 November 2019	Technical Services
Water Tanker Dr JS Moroka	R1,900,000	30 August 2019	18 September 2019	30 November 2019	Technical Services
High Mast Lights Dr JS Moroka	R7, 000, 000	30 March 2020	14 April 2020	30 May 2020	Technical Services
Sewer Line Empumelelweni	R3, 000, 000	Task Completed	Task Completed	30 September 2019	Technical Services
Water Reticulation Empumelelweni	R6, 000,000.00	Task Completed	Task Completed	30 September 2019	Technical Services

Water Reticulation Siyathuthuka	R6 000 000.00	30 March 2020	14 April 2020	30 May 2020	Technical Services
Sewer Reticulation Siyathuthuka	R3 000 000.00	30 March 2020	14 April 2020	30 May 2020	Technical Services
Supply and Delivery of Low Bed Truck	R3000 000	30 August 2019	18 September 2019	30 November 2019	Technical Services
Supply and Delivery of Bull Dozer	R1 233, 333	30 August 2019	18 September 2019	30 November 2019	Technical Services
Sewer Line Hlalanikhale Ext 3	R 3, 000, 000	Task Completed	Task Completed	30 September 2019	Technical Services
Water Reticulation Hlalanikhale Ext 3	R 9, 000, 000	Task Completed	Task Completed	30 September 2019	Technical Services
VIP Toilets and Septic Tanks Emalahleni	R700,000	Task Completed	Task Completed	30 September 2019	Technical Services
Tokologo (Ezinyokeni) Road	R12, 000, 000	30 August 2019	30 September 2019	30 November 2019	Technical Services
Somaphepha Road	R13, 000, 000	30 August 2019	30 September 2019	30 November 2019	Technical Services
Construction of Low Flush Toilets in Rural Areas	R 3 500 000.00	30 March 2020	14 April 2020	30 May 2020	Technical Services
Storm Water ward 4	R8, 500, 000	Task Completed	Task Completed	30 September 2019	Technical Services
Construction of Roads Victor Khanye	R4, 500, 000	30 March 2020	14 April 2020	30 May 2020	Technical Services
Refurbishment of Boreholes & elevated steel tank VKLM	R10, 000, 000	Task Completed	Task Completed	30 September 2019	Technical Services
Additions Nokaneng Fire Station Phase 1	R15, 000, 000	Task Completed	Task Completed	30 September 2019	Technical Services
State land release for Integrated Human Settlements in Dr JS Moroka	R 527 500	*30 August 2019*	*21 September 2019*	*30 November 2019*	General Manager PED
Extension of existing cemeteries Belfast Siyathuthuka Emgwenya	R1 000 000	*Panel for three years in place*	Not applicable	*30 August 2019*	General Manager PED
Opening of Township Register Emakhazeni	R 685 750	*Panel for three years in place*	Not applicable	*30 August 2019*	General Manager PED
Feasibility Study for Integrated Human Settlements Thembisile Hani	R 633 000	*Panel for three years in place*	Not applicable	*30 August 2019*	General Manager PED
State land release Integrated Human Settlement Thembisile Hani	R 527 500	30 August 2019	21 September 2019	*30 November 2019*	General Manager PED
Township Establishment for Integrated Human Settlement Thembisile Hani	R 1 582 500	*Panel for three years in place*	Not applicable	*30 August 2019*	General Manager PED
Land Surveying Victor Khanye	R 422 000	*Panel for three years in place*	Not applicable	*30 August 2019*	General Manager PED
Opening of Township Register Victor Khanye	R 650 000	*Panel for three years in place*	Not applicable	*30 August 2019*	General Manager PED
Geographic Information System (GIS) Project and support procurement GIS Cadastral data	R 700 000	*Service provider appointed, three year project*	Not applicable	*Not applicable*	General Manager PED
Integrated Public Transport Network: Gazetting of Transport by-laws	R 316 500	30 August 2019	21 September 2019	*30 November 2019*	General Manager PED
Project implementation Integrated Green Economy management	R 800 000	Service provider appointed project wrap up	Not applicable	Not applicable	General Manager PED
Project Implementation NEDA Development and Establishment	R 527 500	Panel of service provider in place	Not applicable	Not applicable	General Manager PED
Project Implementation Non-Financial Support to SMME's Cooperatives and Informal Traders	R 2 110 000	Panel of service providers in place for three years	Not applicable	Not applicable	General Manager PED

Project Implementation Support to SMME's Cooperatives and Informal Traders	R 2 110 000	Panel of service providers in place for three years	Not applicable	Not applicable	General Manager PED
Project Job Creation EPWP Creative Arts and Culture	R 1 780 620	Service provider appointed	Not applicable	Not applicable	General Manager PED
Project Job Creation EPWP Rural Development and Agriculture	R 1 783 500	Service provider appointed	Not applicable	Not applicable	General Manager PED
Project Job Creation EPWP Security	R 2 400 000	Service provider appointed	Not applicable	Not applicable	General Manager PED
Tourism Projects Support to LTO and RTO	R 316 500	30 August 2019	21 September 2019	30 November 2019	General Manager PED
Appointment of a panel of legal professional service providers	R3 000 000.00	31ST AUGUST 2019	30TH SEPTEMBER 2019	30TH JANUARY 2020	SENIOR LEGAL ADVISOR
Supply Delivery and Registration of Medium Rescue Pumper for Emakhazeni LM	R4500 000	26 July 2019	23 August 2019	*07 October 2019*	General Manager Social Services
Supply Delivery and Registration of Hazmat Response Unit for Steve Tshwete LM	R1500 000	*26 July 2019*	*23 August 2019*	*07 October 2019*	General Manager Social Services
Installation of Two Way Radio Communications for the NDM	R1500 000	26 July 2019	26 August 2019	*07 October 2019*	General Manager Social Services
Establishment of the NDM Disaster Management Centre	R2000 000	30 August 2019	02 September 2019	*04 November 2019*	General Manager Social Services
Supply and Delivery of Office Furniture for Disaster Management Centre	R50 000	*26 July 2019*	*23 August 2019*	*07 October 2019*	General Manager Social Services
Supply and Delivery of Office Furniture for NDM Fire and Rescue Services	R700 000	*26 July 2019*	*23 August 2019*	*07 October 2019*	General Manager Social Services
Supply, Delivery and Registration of one (1) Veld Fire Vehicle for NDM Fire and Rescue Services	R1 200 000	*26 July 2019*	*23 August 2019*	*07 October 2019*	General Manager Social Services
Supply and Delivery of ten (10) Skid Units for NDM Fire and Rescue Services	R450 000	*26 July 2019*	*23 August 2019*	*07 October 2019*	General Manager Social Services
Supply, Delivery of office furniture and equipment for MHS Staff.	R 320 0000	31 July 2019	31 August 2019	31 October 2019	General Manager Social Service
Supply, Delivery and Installation of a Park Home for MHS at Dr JS Moroka LM (Completion of Nokaneng MHS Parkhome Office and upgrading of Siyabuswa parkhome) and installation of carports for two offices)	R300 000	31 July 2019	31 August 2019	31 October 2019	General Manager Social Service
Upgrading of Thembisile Hani parkhome office and Installation of carports	R350 000	31 July 2019	31 August 2019	31 October 2019	General Manager Social Service

Installation of carports for MHS staff at Emalahleni	R350 000	31 July 2019	31 August 2019	31 October 2019	General Manager Social Service
Development of Sports & Recreation Master Plan for the NDM	R500 000	*26 July 2019*	*23 August 2019*	*07 October 2019*	General Manager Social Services
repairs and maintenance of municipal buildings	2 152 000	*TENDER DUE FOR EVALUATION*	*N/A*	*30 May 2019*	C/S
Repairs and maintenance of municipal air cons	1 156 000	30 MAY 2019	30 JUNE 2019	*30 AUGUST 2019*	C/S
Cleaning services	1 608 996	*30 NOVEMBER 2019*	*30 JANUARY 2019*	*28 FEBRUARY 2019*	C/S
Lift maintenance	318 412	30 JULY 2019	30 AUGUST 2019	*30 OCTOBER 2019*	C/S
Maintenance of fire and smoke detectors NDM Office building	359 000	30 JUNE 2019	30 JULY 2019	*30 SEPTEMBER 2019*	C/S
Security services	3 734 000	*15 FEBRUARY 2019*	*22 MARCH 2019*	*30 MAY 2019*	C/S
Garden services	1 750 000	*30 OCTOBER 2019*	*30 NOVEMBER 2019*	*30 JANUARY 2020*	C/S
ELECTRONIC DOCUMENT MANAGEMENT SYSTEM	1 124 772	N/A	N/A	*N/A*	C/S
ACCESS CONTROL &BIOMETRIC SYSTEM	TO BE CONFIRMED DURING FINAL BUDGET	*3O JUNE 2019*	*30 JULY 2019*	*30 SEPTEMBER 2019*	C/S
BACK UP GENERATOR & UPS SYSTEM	TO BE CONFIRMED DURING FINAL BUDGET	30 JUNE 2019	30 JULY 2019	*30 SEPTEMBER 2019*	C/S
REPAIRS &MAINTENANCE OF FIRE &RESCUE VEHICLES	1 072 500	N/A	N/A	N/A	C/S
AUDIO VISUALS SERVICING (MAINTENANCE)	250 000	28 FEBRUARY 2019	30 MARCH 2019	30 MAY 2019	C/S

Installation and refurbishment of Aircon chillers for the NDM offices	4 750 000	30 MAY 2019	30 JUNE 2019	30 AUGUST 2019	C/S
EMPLOYEE ASSISTANT PROGRAM	833 028	30 OCT 2019	30 NOV 2019	28 FEB 2019	C/S
DEVELOPMENT AND PUBLICATION OF THE NEWSLETTER	650 000	30 JULY 2019	30 AUGUST 2019	30 OCTOBER 2019	C/S
LEASING/ RENTAL OF COMBO TV	350 000	30 JULY 2019	30 AUGUST 2019	30 OCTOBER 2019	C/S
PHOTOCOPIER & RENTAL	OPEX	*N/A*	*N/A*	*N/A*	C/S

APPROVAL	**ACCOUNTING OFFICER**	**MRS MM SKOSANA**		
	SIGNATURE		**DATE**	